

Category: 230

Number: 231

Subject: **PURCHASING POLICY**

1. PURPOSE: To provide for the fair and equitable treatment of all persons involved in public purchasing by Bay County, to maximize the purchasing value of public funds in procurement, to provide safeguards for maintaining a procurement system of quality and integrity, to inform and provide guidance to all individuals involved in public purchasing regarding the application of the policies and procedures to be adhered to in the procurement of products and services, and to ensure that expenditures are incurred and recorded timely in compliance with the annual budget.
2. AUTHORITY: Bay County Board of Commissioners
3. APPLICATION: All Bay County employees, department heads and elected officials.

BAY COUNTY, MICHIGAN

PURCHASING POLICY

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BAY COUNTY PURCHASING POLICY

PART I

PREFACE

The most common and simplistic definition of purchasing is buying and everyone knows what buying involves. However, governmental purchasing, whether at the local, state, or federal level, is very different and far more complex than buying that occurs in the private sector. Unlike everyday consumer buying, governmental purchasing involves the expenditure of taxpayers' money to obtain products and services that the government will use to deliver public services. The legal requirements of governmental purchasing complicate the seemingly simple task of procuring needed products and services. As a result, this critical support function has evolved into a highly controlled and accountable process that is governed by a myriad of laws and ordinances, rules and regulations, judicial and administrative decisions, and procedures and practices.

The following policy identifies the various policies and procedures generally accepted throughout government and tailored to Bay County's specific needs in the procurement of its products and services.

PURPOSE

The purpose of this Policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by Bay County, to maximize the purchasing value of public funds in procurement, to provide safeguards for maintaining a procurement system of quality and integrity, to inform and provide guidance to all individuals involved in public purchasing regarding the application of the policies and procedures to be adhered to in the procurement of products and services, and to ensure that expenditures are incurred and recorded timely in compliance with the annual budget as adopted by the Bay County Board of Commissioners via their General Appropriation Budget Act Resolution and any amendments to the annual budget as approved by the Bay County Board of Commissioners.

APPLICATION

This Policy applies to contracts for the procurement of supplies, services, and construction entered into by Bay County after the effective date of this Policy. It shall apply to every expenditure of public funds by a public agency for purchasing irrespective of its source. When the procurement involves the expenditure of Federal or State assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory Federal or State law and regulations which are not reflected in this Policy. Nothing in this Policy shall prevent any public agency from complying with the terms and conditions of any grant, gift, or bequest which are otherwise consistent with law.

PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a public record to the extent provided in Act 442 of the Public Acts of 1976 (Michigan Compiled Laws (MCL) 15.231 et seq.), as amended, and shall be available to the public as provided in said statute.

CENTRALIZED PURCHASING

Purchasing shall be centralized within the Finance Department as per the resolve of the Board of Commissioners in compliance with the Optional Unified Form of County Government Act, PA 139, 1973 Article 5.302(63), Section 13(b) which states:

“THE DEPARTMENT OF FINANCE SHALL supervise the execution of the annual county budget and maintain expenditure control; perform all central accounting functions; collect monies owing to the county not particularly within the jurisdiction of the county treasurer; PURCHASE SUPPLIES AND EQUIPMENT REQUIRED BY COUNTY DEPARTMENTS; and perform all

investment, borrowing, and debt management functions except as done by the county treasurer.”

In accordance with this Policy and under the direct supervision of the Finance Officer, the Purchasing Agent or his/her designee shall serve as Bay County’s principal public purchasing official for the procurement of supplies, services, equipment, and construction needed by, as well as the disposal, by way of selling via competitive bids, trading, auctioning, or scrapping of surplus supplies and equipment belonging to Bay County.

Consistent with this Policy and with the approval of the Finance Officer, the Purchasing Agent may adopt operational procedures relating to the execution of his/her duties and may delegate authority to purchase certain supplies, services, equipment, or construction items to other County officials, if such delegation is deemed necessary for the effective and efficient procurement of those items.

ETHICS IN PUBLIC PROCUREMENT

All County employees and officers (public servants) shall conduct themselves in conformity with 1968 PA 317, MCL 15.321 et seq.; MSA 4.1700 (51) et seq. This Act establishes standards in respect to governmental decisions and conflicts of interest arising out of the solicitation, negotiation, or approval of contracts between public servants and public entities such as the County.

I. ETHICAL STANDARDS OF CONDUCT

A. CONFLICT OF INTEREST

1. It shall be unethical for any employee or officer of the County to participate directly or indirectly in a procurement where the employee or officer knows that:
 - a. The employee or officer or any member of the employee’s or officer’s immediate family has a financial interest pertaining to the procurement; or
 - b. Any other person, business, or organization with whom the employee or officer, or any member of an employee’s or officer’s immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
2. It shall be unethical for, and this Policy prohibits, employees or officers of the County from acting as a vendor of Bay County. This prohibition shall not apply to part-time County employees who are paid for working an average of twenty-five (25) hours or less per

week pursuant to Public Act 317 of 1968, as amended (MCL 15.321, et seq).

3. It shall be unethical for any current employee or officer of the County who is participating directly or indirectly in the procurement process to be or become employed by any person or firm contracting with the County.
4. It shall be unethical for any current employee or officer of the County to use a County Purchase Order or their County influence to obtain goods or services for themselves or others at County prices or at a discount which could not otherwise be obtained.

B. CONFIDENTIAL INFORMATION AND COLLUSION

1. Confidential Information. It shall be unethical for any employee, officer, former employee, or former officer to knowingly use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.
2. Collusion. It shall be unethical for two (2) or more vendors, suppliers or bidders to collude with the intent to defraud the County by submitting prices, quotes, or bids that are identical or nearly identical or submitting prices, quotes, or bids that will favor one or more vendors, suppliers, or bidders.
 - a. When for any reason collusion or other anti-competitive practices are suspected among any bidders or offers, a notice of the relevant facts shall be transmitted to the State Attorney General.

II. ADMINISTRATIVE SANCTIONS

A. EMPLOYEES/OFFICERS

1. The Board of Commissioners or County Executive may impose on a County employee or officer, for any violations of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions as allowed for in the applicable labor agreement, personnel policy, or State statute.
 - a. Oral or written warnings or reprimands;
 - b. Suspension from work, with or without pay, for specified periods of time; or
 - c. Termination of employment.

2. Disallowed Expenditures. Michigan Statutes prohibit officers or employees from using funds under the officer's or employee's official care for personal gain or benefit. Therefore, Bay County officials and employees are prohibited from expending County Funds for flowers, plants, fruit baskets, expressions of sympathy, etc. except as authorized specifically by statute. The Finance Department will disallow expenditures made in violation of this policy.

B. NON-EMPLOYEES

1. The Board of Commissioners or County Executive may impose on a non-employee for any violation of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions:
 - a. Written warnings or reprimands;
 - b. Termination of contracts, or;
 - c. Debarred or suspended from conducting business with the County for specified periods of time.

III. CRIMINAL PENALTIES

To the extent that violations of the ethical standards of conduct set forth in this section constitute violations of the State Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to the administrative sanctions set forth in this section and/or any civil sanctions. Criminal, civil, and administrative sanctions against employees or non-employees which are in existence on the effective date of this Policy shall not be impaired.

IV. RECOVERY OF VALUE

The value of anything transferred or received as the result of a violation of any of the ethical standards of conduct set forth in this section by any employee or non-employee shall be recovered from said employee or non-employee.

DEBARMENT OR SUSPENSION

AUTHORITY TO DEBAR OR SUSPEND. After reasonable notice to the person(s)/vendor(s) involved and reasonable opportunity for that person to be heard, the Finance Officer, after consulting with the County's Corporation Counsel and Purchasing Agent, is authorized to debar a person/vendor, for cause, from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years. After consultation with

the County's Corporation Counsel and Purchasing Agent, the Finance Officer is authorized to suspend the person(s)/vendor(s) from consideration for award of contracts if there is a probable cause to believe that the person(s)/vendor(s) has engaged in any activity which might lead to debarment. The suspension shall not be for a period exceeding three (3) months. The causes for debarment include:

1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. Conviction under state and federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects his/her/their responsibility as a County contractor;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Officer to be so serious as to justify debarment action:
 - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contracts; or
 - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
5. Any other cause the Finance Officer determines to be so serious and compelling as to affect his/her/their responsibility as a County contractor, including debarment by another governmental entity for any cause listed in this policy; and
6. For violation of the ethical standards set forth in the ETHICS IN PUBLIC PROCUREMENT section of this policy.

The Finance Officer shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person(s)/vendors(s) involved of their rights concerning judicial or administrative review. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person(s)/vendors(s), the Bay County Board of Commissioners, and the Bay County Executive.

A decision to debar or suspend shall be final and conclusive unless fraudulent, or the debarred or suspended person(s)/vendors(s), within ten (10) days after receipt of the

decision, makes an appeal to the Bay County Board of Commissioners or commences a timely action in court in accordance with applicable law.

DISCRIMINATION

Any individual or business entity providing goods and/or services to Bay County shall be required to comply with current provisions of the Americans with Disabilities Act (ADA) (the Equal Opportunity Act for Individuals with Disabilities 42 USC 12101 et seq.), Equal Employment Opportunities (42 USC 2000e), Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), the Elliot-Larsen Civil Rights Act (MCL 37.1201 et. seq.), and the Michigan Handicappers' Civil Rights Act (MCL 37.1101 et seq.). Such individual or business entity shall not discriminate against any individual with respect to hire, tenure, terms, conditions or privileges of employment because of a handicap that is unrelated to the individual's ability to perform the duties of a particular job position, or because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant shall be regarded as a material breach of any transaction or agreement between Bay County and the individual or business entity. The County shall vigorously enforce this covenant through use of sanctions available within the Bay County Purchasing Policy or legal action.

QUALIFICATIONS-BASED SELECTION

Qualifications-Based Selection (QBS) has received national and state attention in the public sector through legislation for many years. In 1972, the federal government enacted Public Law 92-582 (The Brooks Selection Bill) covering the selection of architects and engineers based on qualifications. In 1987, the Michigan Legislature passed House Concurrent Resolution #206 which provided a documented understanding of the process. Qualifications-Based Selection which is a fair and rational procedure that facilitates the selection of a design professional on a basis of qualifications and competence in relation to the scope and needs of a particular project shall be used for obtaining architectural, engineering, land surveying, and other related professional design services on Bay County public projects. The QBS process, as outlined in the publication, Qualifications-Based Selection of Design Professionals by Qualifications-Based Selections, Inc., or a modified version thereof suitable to the project being undertaken will include all or some of the following steps:

1. The Bay County Board of Commissioners identifies the general scope of the work.
2. A selection schedule is established.
3. A list of design professional firms is developed.
4. Qualification documents are requested.

5. Qualification documents are evaluated.
6. A short list of firms to be interviewed is composed.
7. Interviews are conducted.
8. Firms are ranked for selection.
9. A contract is negotiated with the top ranked firm.
 - a. If an agreement cannot be reached, those negotiations are ended and negotiations are begun with the second ranked firm, and so on down the line, until agreement is reached and a firm selected.
10. All firms involved receive post-selection communications.

Qualifications-Based Selection may be used for the selection of other, non-federally funded, professional services as deemed appropriate by the Purchasing Agent or his/her designee and the Department/Division Head, Elected Official or their designee from the requesting department. These other, non-federally funded, professional services shall include, but not limited to, the following:

1. Financial Advisors.
2. Construction Managers.
3. Attorneys/Bond Counsel.
4. Underwriters.
5. Auditors - Certified Public Accountants.
6. Third Party Administrators.
7. Environmental and Geotechnical Services.
8. Architects.
9. Consultants.
10. Surveyors.
11. Engineers.
12. Appraisers.

When deemed appropriate to utilize the QBS process in the selection of professional services, this process shall be carried out through the establishment of a QBS Committee. QBS shall be used in every instance where the Qualifications-Based Selection Committee determines that attorney services needed for a proposed project are likely to exceed \$20,000. This Committee will be charged with the responsibility of implementing the QBS process at a level commensurate to the project at hand and to provide a recommendation to the Bay County Board of Commissioners. The composition of the QBS Committee shall consist of the following individuals or their designee:

1. Chair of the Board of Commissioners (or designee)
2. Board of Commissioners' Financial Analyst
3. The Purchasing Agent
4. The Elected Official, Department/Division Head
5. Corporation Counsel
6. Finance Officer
7. Any other individual who could provide valuable input and be beneficial to the selection process as identified by the three (3) previous named individuals, such as the Director of Administrative Services, etc.

SALES TAX EXEMPTION

The County shall not be charged or pay sales tax. Bay County, as a Michigan Constitutional Corporation, is exempt from sales tax per Act 167 of Public Acts established in 1933. Per Section 4 of the General Sales Tax Act, MCL 205.54(5); MSA 7.524(5), and Michigan Sales and Use Tax Rule, 1979 AC, R205.79 provides that sales to the United States government, the State of Michigan, and their political subdivisions, departments and institutions are not taxable when ordered on a Purchase Order and paid for by warrant on government funds. In the alternative, the government may claim exemption at the time of purchase by providing the seller with a signed statement to the effect that the purchaser is a governmental entity. This position was affirmed by the Michigan Department of Treasury through its Revenue Administrative Bulletin 1990-32, approved on October 11, 1990.

Under above referenced documents, the State of Michigan maintains that Bay County is not required to have a sales tax exemption number and that unless a purchase is paid for by warrant on governmental funds (with a Bay County check), the seller does not have to exempt the sale. The issuance of a Bay County Purchase Order or a Michigan Sales Tax Exemption Certificate does not, by itself, mandate the seller to exempt the sale. Therefore,

all departments, divisions, and elected officials shall utilize Bay County's Purchase Order and accounts payable system to the fullest extent possible when purchasing and paying for tangible personal property while still adhering to the other provisions within this Purchasing Policy.

VENDOR MASTER FILE AND LOG BOOK

A. VENDOR MASTER FILE

A Vendor Master File shall be maintained by the Finance Department that will serve as its source document to be used by all responsible employees and officials in the procurement process. The Finance Department will annually advertise in local newspapers to solicit vendors interested in transacting business with Bay County. Those vendors interested in being placed on the Vendor Master File must complete and file a standard questionnaire, developed by the Purchasing Agent in the Finance Department. In addition to newspaper advertisements, the Finance Department will develop and maintain the Vendor Master File by reviewing the Doing Business As (DBA's) filings with the County Clerk, through solicitations from various trade and professional publications and associations, vendor representatives, product conferences, by annually mailing requests for updated information from current vendors, and recommendations from Elected Officials and Division/Department Heads.

B. VENDOR LOG BOOK

A Vendor Log Book shall be maintained by Finance to record all vendor visits to the Purchasing Agent or his/her designee. All vendors are required to sign-in when making sales calls. The sign-in sheets must be completely filled in as to Company Name, Representative's Name, Date and Time, Person Visited and Product/Service Selling. This sign-in pertains to all vendors who visit Finance for sales calls, bid openings, and vendor meetings.

LOCAL VENDORS

The purchasing profession does not advocate providing local vendors preferential treatment in the awarding of bids, contracts, or Purchase Orders. Therefore, in order to preserve the integrity of Bay County's procurement system, and to promote fair and pure competition for Bay County's business, local vendors shall not be provided a preferential status in the procurement of goods or services for Bay County; however, when vendor submissions are equal, supplies offered by vendors who have an established local business in the County shall have preference .

MINORITY/WOMEN BUSINESSES

When required, pursuant to the federal Office of Management and Budget Circular 102, Grants and Cooperative Agreements with State and Local Government, the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and State of Michigan, Public Act 428 of 1980, affirmative steps will be implemented to seek out, solicit and use minority-owned firms, women's business enterprises when purchasing goods or services with federal funds.

SOLE SOURCE PROCUREMENTS

A contract may be awarded without competition when the Purchasing Agent or his or her designee determines, in writing, after conducting a good faith review of available resources, and upon the concurrence of the Finance Officer, that there is only one source for the requested product or service. The Purchasing Agent will conduct negotiations, as appropriate, as to price, delivery, and terms. A record of sole source procurements will be maintained as a public record that lists each vendor's name, the amount and type of each purchase, and a listing of the item(s) procured from each vendor.

EMERGENCY PROCUREMENTS

Notwithstanding any other provision of this policy, when there exists a threat to the public's health, welfare, safety, or a threat of deterioration of a critical departmental service the Purchasing Agent or his/her designee, upon the concurrence of the Finance Officer, may make emergency procurements of products or services; or in a circumstance when an emergency condition arises during a time, e.g., after regular business hours, when the procedures outlined in the exemption section under "Large Purchases" are not practicable, the Department/Division Head, Elected Official, or their designee may procure only those products or services minimally required to alleviate the emergency condition provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of a particular vendor shall be included in/on the procurement file/paperwork. As soon as it is practicable, a record of each emergency procurement shall be made and it shall set forth the vendor's name, the amount and type of each purchase, a listing of the item(s) procured from each vendor.

CAPITAL ASSET TAGS

It shall be the responsibility of the Finance Department to assign a permanent, prenumbered Bay County asset tag to any item purchased deemed by them to be an item necessary to be inventoried and controlled. The asset tag shall be assigned at the time the purchase is made and shall be noted on the Purchase Order. The asset tag shall be sent to the applicable department along with the department's copy of the Purchase Order. It shall be the department's responsibility to attach the asset tag to the asset.

LABOR-MANAGEMENT COOPERATION AGREEMENTS/PREVAILING WAGES

Unless prohibited by law, the Board of Commissioners may designate projects for which a prevailing wage standard or labor-management cooperation agreement shall be advantageous to the County and shall be employed.

METHODS OF CONSTRUCTION MANAGEMENT

The selection of an appropriate method to manage a construction project should depend on factors such as: the method of the construction to be procured, the uncertainties which may be involved in the construction; and the extent to which the County or the Contractor is to assume the risk of the cost of performance of the construction contract. The various methods differ in the degree of responsibility assumed by the contractor.

The objective when selecting an appropriate method to manage a construction project is to obtain the best value in the needed construction, in the time required, and at the lowest cost to the County. In order to achieve this objective, the County, before choosing a construction method, should review those elements of each alternative method which directly affect the cost, time, risk, and profit incentives bearing on the performance.

Among the factors to be considered are:

1. The type and complexity of the construction;
2. The difficulty of estimating performance costs such as the inability of the County to develop definite specifications, to identify the risks to the contractor inherent in the nature of the work to be performed, or to establish clearly the requirements of the project;
3. The amount and type of financing available;
4. The administrative costs to both parties;
5. The degree to which the County must provide technical coordination during the construction project and a realistic appraisal of the availability, qualifications, and experience that County personnel can bring to the project;
6. The availability of outside consultants;

7. The effect of the choice of the method of management of the construction project on the amount of competition to be expected;
8. The stability of material prices or wage levels;
9. The urgency of the construction;
10. The length of construction;
11. The size, scope, complexity, and economics of the project;
12. The location of the project and whether a contractor's site may be used;
13. The results achieved on similar projects in the past and the methods used; and
14. The extent to which the County's requirements and the ways in which they are to be met are known.

The following are the most common methods of construction management which are not all mutually exclusive and may be combined on one project:

1. SINGLE PRIME CONTRACTOR. The single prime contractor method of contracting is typified by one business, a General Contractor, contracting with the County to timely complete an entire construction project in accordance with plans and specifications provided by the County. Often these plans and specifications are prepared by a private architectural firm under contract to the County. Further, while the General Contractor may take responsibility for successful completion of the project, much of the work may be performed by specialty contractors with whom the prime contractor has entered into contracts.
2. MULTIPLE PRIME CONTRACTORS. Under the multiple prime contractor method, the County or County's Agent contracts directly with a number of specialty contractors to complete portions of the project in accordance with the County's plans and specifications. The County or its Agent may have the primary responsibility for successful completion of the entire project, or the contracts may provide that one of the multiple prime contractors has this responsibility.
3. DESIGN-BUILD OR TURNKEY. In a design-build or turnkey project, a business contracts directly with the County to meet the County's requirements as described in a set of performance specifications by constructing a facility to its own plans and specifications. Design responsibility and construction responsibility both rest with the design-build contractor. This method can

include instances where the design-build contractor supplies the site as part of the package.

4. CONSTRUCTION MANAGER. A Construction Manager is a person experienced in construction that has the ability to evaluate and to implement plans and specifications as they affect time, cost, and quality of construction; and the ability to coordinate the design and construction of the project, including the administration of change orders. The County contracts with a qualified Construction Manager to act for the County in the construction project as specified in the Construction Management Contract. At times the Construction Manager may become a single prime contractor, or may guarantee that the project will be completed on time and will not exceed a specified maximum price (Guaranteed Maximum Price - GMP). At such times the Construction Manager will become responsible, just as any single prime contractor, to complete the project at or below the specified price.
5. CONSTRUCTION CONSULTANT. The Construction Consultant is a person that shall serve as agent of the County, providing pre-construction and construction administration services by assisting and providing administrative support to the County in connection with a construction project. The Construction Consultant accepts the relationship of trust and confidence established between it and the County. The Construction Consultant agrees to furnish its best skill and judgment to perform its services in the most expeditious economical manner consistent with the stated interests of the County and with the staff organization of the Construction Consultant.
6. SEQUENTIAL DESIGN AND CONSTRUCTION. Sequential design and construction denotes a method in which design of substantially the entire structure is completed prior to beginning the construction process.
7. PHASED DESIGN AND CONSTRUCTION OR FAST-TRACK CONSTRUCTION. Phased design and construction denotes a method in which construction is begun when appropriate portions have been designed, but before substantial design of the entire structure has been completed.

CONSTRUCTION CONTRACT CHANGE ORDERS

During the course of a construction project it may become necessary to modify the scope of the project in varying degrees depending on each individual circumstance. By modifying the scope of the project it will necessitate amending the construction contract via a change order. Construction contract change orders may be approved by the Bay County Board of Commissioners after consultation with the architect, engineer, consultant, or a qualified individual involved with and has knowledge of the project and the requested modification,

and that the Bay County Board of Commissioners is satisfied with the rationale provided for the requested change.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be issued when the Purchasing Agent or his/her designee determines, after consultation with the requesting department, that the issuance of a blanket purchase order will result in procurement efficiencies or in a financial benefit to the County. Blanket purchase orders shall not exceed twelve (12) months and shall terminate at the end of each fiscal year. Blanket purchase orders will be available for the purchase of materials and supplies that will be purchased on a frequent or repetitive basis. Blanket purchase orders shall not be used for the purchase of equipment.

COMPUTER HARDWARE/SOFTWARE

The County has recognized the need to review and control the purchasing of computer hardware and software. All County departments requesting computer hardware and/or software shall submit their requests to the Information Systems Division (ISD).

The Information Systems Division must review all requests regardless of funding source. If the requesting departments' requirements are budgeted within ISD's budget, ISD will initiate the necessary procurement documents. In order to produce efficiencies in the procurement of computer hardware and/or software, to enhance employee productivity, and to receive financial benefits from excellent pricing, the Information Systems Division shall purchase computer hardware and/or software at or below the prices that have been negotiated for federal Government Service Administration (GSA) contract pricing or the State of Michigan, Department of Management and Budget, Extended Purchasing Program, when applicable.

VENDING MACHINES

The County has recognized the need to control the placement of vending machines in or at all County facilities. The placement of vending machines in or at a County facility is a contractual relationship between the vendor and the County. It shall be the responsibility of the Purchasing Agent or his/her designee to solicit, through Request for Proposals, potential vendor(s) who would be interested in contracting with the County to place vending machines of the type requested and in/at the facilities designated by the County.

MAINTENANCE CONTRACTS

Generally, no full, preventative, or time and material maintenance contracts shall be purchased on equipment that has a replacement value of less than one thousand dollars (\$1,000) unless deemed financially beneficial by the Department/Division Head, Elected Official or their designees, and the Purchasing Agent.

Equipment having a replacement value in excess of one thousand dollars (\$1,000) shall be eligible for coverage under a full, preventative, or time and material maintenance contract as deemed appropriate by the Purchasing Agent or his/her designee, and the Department/Division Head, Elected Official, or his/her designee of the benefiting department.

INSUFFICIENT FUNDS

If the balance in an identified budget account number or budget category (as required in the annual General Appropriation Budget Act Resolution) is insufficient to accommodate the purchase, the department shall be required to submit to the Finance Department/Budget Division an appropriate budget adjustment form. No Purchase Order shall be assigned or placed until a budget adjustment in a sufficient amount to accommodate the order has been entered into the system or has been approved by the Bay County Board of Commissioners.

PROCUREMENT RECORDS

All determinations and other written records, such as purchase requisitions/orders and bid files, pertaining to the solicitation and/or award of County business shall be maintained for the County by the Purchasing Agent within the Finance Department.

All procurement records shall be retained and disposed of by the County in accordance with the records retention schedules and guidelines as determined by the County Finance Officer.

TRAVEL EXPENDITURES

For all County Employees and Elected/Appointed Officials who will be traveling on County business and who will be incurring business related expenses associated with their travels should refer to the County of Bay, Standard Travel Policy, for guidance.

PETTY (IMPREST) CASH PURCHASES

(PURCHASES COSTING LESS THAN \$100)

All items of expense with a value of one hundred dollars (\$100) or less may be purchased with cash. These cash acquisitions can be advanced and/or reimbursed to the employee

or official through the petty (imprest) cash fund maintained by the County Treasurer or their department upon submission of a Bay County Petty Cash Voucher.

The Petty Cash Voucher must be completed in its entirety before it can be honored by the Bay County Treasurer or the individual department. The Petty Cash Voucher requires the following information to be supplied in addition to a sales slip, invoice, or some other document that can support the purchase and be attached to the Petty Cash Voucher, if applicable.

1. Date purchased/advanced.
2. Amount advanced.
3. Vendor purchased from.
4. Item(s) purchased.
5. Cost per item purchased.
6. Total price paid.
7. Department name.
8. Fifteen (15) digit budget account number(s) and related amount to be charged.
9. Employee/Official who made the purchase/received advance.
10. Department/Division Head or Elected Official or their designee authorization for reimbursement.

The Bay County Treasurer or individual department may advance up to one hundred dollars (\$100) from petty cash to any employee/official to facilitate the purchasing needs of the procuring department upon receipt of a Petty Cash Voucher authorizing an advance to be granted. Such advance must be expended within the working day the advance was granted. By the end of the working day the employee/official shall return to the custodian of the petty cash fund any unspent cash remaining after the procurement, along with a completed Petty Cash Voucher and any support documents as identified above. The total of the remaining cash returned and the Petty Cash Voucher must equal the total amount advanced.

The Bay County Treasurer or any department which maintains a petty (imprest) cash fund shall not honor a Petty Cash Voucher unless all the required information requested on the Petty Cash Voucher is supplied. Periodically, when their funds are nearly depleted, and by utilizing the Petty Cash Vouchers they have honored, the County Treasurer and other departments shall replenish their petty cash funds by completing, and forwarding to the

Finance Department/Accounts Payable, a Master Bay County Accounts Payable Voucher for processing identifying the various departmental budgets and amounts to be charged.

MINUTE PURCHASES

(PURCHASES COSTING LESS THAN \$500)

Providing for the adequate and proper controls over the procurement of products or services to ensure that County dollars are being expended in compliance with adopted budgets and to detect or to prevent irregularities in the procurement functions would necessarily require Purchase Orders to be produced for all procurements. However, a determination needs to be made regarding the efficiency and cost effectiveness of controlling every purchase made by the County through the issuing of Purchase Orders. The question needs to be asked as to whether the value of the benefit received is greater than the cost incurred in controlling every purchase. It is the opinion of the Board of Commissioners that the cost of issuing Purchase Orders on purchases, whether for products or services, costing less than five hundred dollars (\$500) is greater than the benefit the County will receive. Therefore, for the procurement of products or services costing less than five hundred dollars (\$500), the following shall apply:

1. Purchase Orders shall not be required.
2. Departments can place the order or purchase the product(s) or service(s) directly, or utilize the Purchasing Agent or his/her assistant in the Finance Department for purchasing assistance.
3. Three (3) phone quotations shall not be required prior to procurement.

However, all departments are encouraged to implement the prudent person philosophy when placing an order. This philosophy dictates that a department shall carry out this function with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

Since there will not be a County Purchase Order number assigned to these purchases, the ability of the Finance Department to facilitate the processing of invoices or problem resolution associated with these purchases is greatly diminished. In order to ensure expeditious processing of invoices or problem resolution, it is essential that the department placing the order informs the vendor that it is critical that the following information be clearly and accurately identified on the face of the invoice:

1. Name of the person who placed the order.
2. County Department that placed the order.

3. Proper mailing address where the invoice should be mailed.

If the vendor is not willing to identify items one (1) and two (2) above on the face of the invoice, the proper mailing address should be that of the ordering department; otherwise, the invoice can be sent to the Finance Department/Accounts Payable. Invoices sent directly to the Finance Department without proper department identification will be immediately returned to the vendor noting the Finance Department's inability to forward to the ordering department for processing, thus delaying payment.

Departments who receive invoices directly need only to completely fill out a Bay County Voucher or a voucher stamp impression on the invoice and forward to the Finance Department for processing. When invoices are mailed directly to the Finance Department from the vendor, which clearly identifies the ordering department, the Finance Department will voucher stamp the invoice, enter the relevant information and forward the invoice to the department for account coding and authorization. The department, in turn, will send it back to the Finance Department for processing.

MINIMAL PURCHASES

(PURCHASES COSTING \$500 BUT LESS THAN \$1,000)

Any acquisition of products or services costing five hundred dollars (\$500) but less than one thousand dollars (\$1,000) shall obtain quotes and place the order directly.

- A. The requesting department shall prepare and forward a faxed or emailed original, completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in Charge of Purchasing in the Finance Department for processing. The Purchase Requisition shall contain the following information:
 1. Requesting department name.
 2. Date of requisition.
 3. Prior vendor (if known).
 4. Date the product or service is needed.
 5. To whom or where the product or service is to be delivered.
 6. The proper fifteen (15) digit budget account number(s) to be charged and their current budget balance(s).
 7. Indicate if a budget adjustment is in process to accommodate the purchase.

8. Name of requesting individual.
 9. Signature of authorizing individual.
 10. The product item number, if available.
 11. Quantity.
 12. Description of products or services, as detailed as possible.
 13. Freight/shipping charges, if applicable.
- B. When a department decides to place an order, the department shall do so according to the following:
1. Order from the master vendor list of approved vendors.
 2. Purchase all office supplies from the Board of Commissioners designated contract vendor, subject to availability.
 3. One phone or written quote is sufficient for purchases costing five hundred dollars (\$500) but less than one thousand (\$1,000) dollars or when it is determined that there is an emergency condition or there is only a sole source provider to purchase the products and/or services. In the event a department is claiming an emergency or sole source condition, the procedures identified in the exemptions section under "Large Purchases" must be adhered to. Phone quotes must be documented as to the name of company and salesperson contacted, unit price of the product and/or service requested, quantity ordered, time and date of the call and any other pertinent information.
 - a. Quotes shall be net of freight charges and exclusive of sales tax. When obtaining quotes, the vendor must be questioned concerning any freight or additional charges and these items should be identified separately on the Purchase Requisition.
 4. Obtain a Purchase Order number from the Purchasing Agent or his/her assistant and provide it to the selected vendor for inclusion on the vendor's invoice.
 - a. Vendors shall not fill an order for five hundred dollars (\$500) or greater unless they are provided a Purchase Order number.
 5. Verify that the vendor can and will deliver. Some purchase situations may require that the County either pick up or arrange for special delivery of the order.

- C. Orders may be phoned or faxed to vendors.
- D. The Purchasing Agent or his/her assistant in the Finance Department will be available to answer questions and/or provide direction regarding these purchases.

SMALL PURCHASES

(PURCHASES COSTING \$1,000 BUT LESS THAN \$20,000)

Although Competitive Sealed Bidding is the procedure universally preferred in governmental procurement, consideration of the time and cost involved dictates that a less formal procedure be used for small purchases.

This Purchasing Policy provides that purchases, including professional services, not exceeding twenty thousand dollars (\$20,000) may be made in the open market without a formal written bid, and further provides that these purchases, when practicable, shall utilize competitive oral or written requests for quotations. All such purchases shall be made cooperatively by the Purchasing Agent in the Finance Department and the Department/Division Head, Elected Official or their designees.

The requesting department shall prepare and forward a fax or emailed original, completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in the Finance Department for processing. The Purchase Requisition shall contain the same information as outlined for "Minimal Purchases," Section A, Items 1 through 13.

In utilizing the small purchases procedures, the following shall apply:

1. Award shall be made to the vendor providing the greatest value for the cost while meeting the minimum needs of the County.
2. Requisitions shall not be artificially divided so as to constitute small purchases.
3. If any Department foresees a need for products or services of a like or similar nature, costing more than twenty thousand dollars (\$20,000) in aggregate within a fiscal year, it shall arrange for Competitive Sealed Bidding, even though the products and services individually may be under the twenty thousand dollars (\$20,000) bid-threshold.
4. Departments or Divisions with County-wide responsibility for products or services, such as the Buildings and Grounds Department for hand towels and tissues, shall combine requirements for like or similar commodities expected to be needed in the foreseeable future (usually a fiscal year) and arrange for Competitive Sealed Bidding.

5. When previous experience indicates a reasonable expectation that combined requirements from all Departments and/or Divisions, for a product or service, will exceed the bid threshold within a fiscal year, the Purchasing Agent shall solicit requirements from all users of this product or service, and cause specifications and bid documents to be developed, and shall arrange for Competitive Sealed Bidding.
6. In order to reduce the paperwork associated with numerous small purchases, Blanket Purchase Orders shall be used whenever practicable. This determination shall be made by the Purchasing Agent after consulting with the Department/Division Head, Elected Official or their designee from the requesting department.
7. The Purchasing Agent shall be responsible for obtaining the quotations required by this procedure. In instances where it is more practicable, the Purchasing Agent may delegate the obtaining of quotes to his/her designee or to the requesting/user department. This shall not absolve the Purchasing Agent from the responsibility of having proper quotes on file prior to issuing a Purchase Order, as required by this procedure, or from assuring that acceptable value is being obtained.
8. At least three (3) oral or written quotes are required, with the exception of an emergency condition or sole source provider. In the event a department is claiming an emergency or sole source condition, the procedures identified in the exemption section under "Large Purchases" must be adhered to. Quotations received via photo facsimile (FAX) machines shall be accepted as written quotes required by this procedure. The Purchase Order shall be placed after the receipt of the quotes.
9. On occasion, good business judgment or common sense may dictate deviations from the requirements outlined in Item 8 of this section. In this instance, the reason(s) for the deviation shall be documented by the Purchasing Agent on the Purchase Requisition and such deviations shall not violate any other requirement of the Purchasing Policy.
10. Emergency purchases shall be exempt from some of the provisions of this policy. A request and explanation of the reasons for the declaration of an emergency shall be documented by the department requesting such declaration and forwarded to the Purchasing Agent who in turn will forward the request to the Finance Officer. The Finance Officer shall decide whether or not the request is warranted and instruct the Purchasing Agent to act accordingly. The request and explanation shall be retained in the quote file. This provision shall be used only if there is imminent danger to the health or welfare of the citizens of the County, or threat of deterioration of a critical departmental service.

11. Documentation of a sole source provided for a required product and/or service shall be retained in the quote file by the Purchasing Agent.
12. The Purchasing Agent, assisted by the Department/Division Head, Elected Official or their designee from the requesting department shall have the responsibility for selection of the vendor.
13. Information regarding quotes can be found:
 - a. In the quote file kept by the Purchasing Agent; and/or
 - b. Attached to the back of the Purchase Requisition/Order.

LARGE PURCHASES

COMPETITIVE SEALED BIDS

(PURCHASES COSTING \$20,000 OR MORE)

Competitive Sealed Bids shall be solicited for products or services that meet one of the following requirements:

- The product or service being procured has an individual cost of twenty thousand dollars (\$20,000) or more.
- When the requirements of a Department and/or Division, or the combined requirements of all Departments and/or Divisions, for products or services of a like or similar nature has an aggregate cost of twenty thousand dollars (\$20,000) or more within a fiscal year.

The following section outlines the exemptions, elements, processes, and procedures for competitive sealed bids.

A. EXEMPTIONS

The Bay County Purchasing Policy provides that no procurement of products or services equal to or over twenty thousand dollars (\$20,000) shall be made without soliciting competitive sealed bids, except:

1. When cooperative purchases with other public entities are made.
2. When contracts of other local units of government or other public entities are used, if the Contractor extends the identical terms and conditions to the

County, provided that the contract has been awarded through procedures substantially similar to those required by the Bay County Purchasing Policy.

3. When there is only a sole source for the required products or services.
4. In the event of the existence of an emergency procurement condition.
5. In the procurement of architectural, engineering, legal, landscape architectural, or land surveying services.
6. In the procurement of services of an independent Certified Public Accountant selected to audit the County's books/operations.
7. In the procurement of consultant, advisor, or other professional services as identified by the Bay County Board of Commissioners.

By exempting the procurement of products or services in an emergency (Item No. 4) and entering into contracts for professional services (Items No.5, No.6, and No.7) allows the County to remain in compliance with Public Act 167 and 168 of 1993.

In the event when a Department requests an exemption from soliciting competitive sealed bids for the procurement of products or services for reasons of a sole source supplier or an emergency condition, the following shall occur:

1. The requesting department shall submit, to the Purchasing Agent, in the Finance Department, a Purchase Requisition which shall contain, in addition to the same information as outlined for "Minimal Purchases" Section A, Items one (1) through thirteen (13), an attestation signed by the authorizing department official that the named vendor on the Purchase Requisition is the sole supplier of the requested product or service or; in the case of an emergency procurement condition, that the condition existing within the requesting department is causing an emergency situation and identify the consequences that will occur if the product or service is not purchased posthaste.
2. The Purchasing Agent, upon receipt of the Purchase Requisition, and after discussion with the requesting Department, shall either initial and date his affirmation of the Department's attestation or indicate in a signed and dated statement on the Purchase Requisition his/her reasons for disagreement.
3. The Purchase Requisition is then forwarded to the Finance Officer for consideration and final decision.
4. In a situation that required a Department/Division Head, Elected Official or their designee to make an emergency procurement(s), the above items one

(1) through three (3) shall still occur, although after the fact, within two (2) business days of the emergency condition.

B. REQUEST FOR INVITATION TO BID

The Department requesting the products or services that require competitive sealed bids be solicited shall present the request to the Purchasing Agent, which includes the following:

1. A brief description of the goods and/or services to be bid.
2. Source of funding for the expenditure (budget, grant, etc.).
3. The activity and account number to which the expenditure is to be charged.
4. Specifications for the equipment and/or service.
5. Specific requirements that shall be adhered to by each bidder.
6. Other pertinent information.

C. REVIEW OF BID PRIOR TO PUBLIC RELEASE

The Purchasing Agent shall request any additional information from the Department requesting the products and/or services and shall submit a draft of the Request for Proposal to the Finance Officer and Corporation Counsel for their review and final approval.

D. BID PACKAGE PREPARATION

After the draft of the Request for Proposal is approved by the Finance Officer and Corporation Counsel, a final formal Request for Proposal shall be prepared by the Purchasing Agent, in conjunction with the Department/Division Head, Elected Official or his/her designee. The Request for Proposal shall include:

1. Invitation to Bid
2. Specifications
3. Requirements of Bidders

4. General Conditions
5. ADA Assistance
6. Applicable Bid Forms

E. BID PACKAGE DISTRIBUTION AND PUBLIC NOTICE

The Purchasing Agent will distribute the Request for Proposal to all applicable vendors who are included on the County's Vendor Master File. The Purchasing Agent shall publish in The Bay City Times, and any other pertinent publication, a notice inviting sealed competitive bids, for at least two days, preferably in a Sunday and/or Saturday publication for one or two weekends. There shall be an interval of at least five (5) days between the date of the final notice and the bid opening. The notice shall include the following, when applicable:

1. Brief description of the product(s) or service(s) to be bid.
2. Place where bid documents, including specifications are available.
3. Request for Proposal Identification Number.
4. Cost, if any, of bid documents.
5. Date and time the bids are due.
6. All walk through(s) and/or pre-bidders conference(s) as determined by the Purchasing Agent and the Department/Division Head, Elected Official or his/her designee of the requesting department.
7. Telecommunication Device for the Deaf (TDD) information and an Americans with Disabilities Act (ADA) statement that auxiliary aids and services are available upon request.

In addition to the public notice, the Purchasing Agent shall notify all vendors who have indicated an interest in furnishing the requested products and/or services to the County.

In the event that the original Request for Proposal needs to be amended, an addendum will be mailed and/or faxed to all vendors who previously received a copy of the original Request for Proposal by the Purchasing Agent.

F. WALK THROUGHS AND PRE-BID/PROPOSAL CONFERENCES

When it has been determined that a walk through or pre-bidders/proposal conference is necessary, the Purchasing Agent or his/her designee shall include language within the Request for Proposal identifying the following:

1. The date, time, and location of the walk through or pre-bidders/proposal conference.
2. Whether or not potential bidders/proposers attendance is mandatory.
3. That potential bidders/proposers will not be compensated for their attendance.
4. That written and verbal questions will be accepted and addressed, with the County's preference that as many questions as possible be in writing in advance of the date of the walk through or pre-bidders proposal/conference.

If attendance by potential bidders/proposers is mandatory and a prospective bidder or proposer does not attend but does submit a bid or proposal, said bid or proposal shall be disqualified and returned unopened accompanied by a memo explaining why the bid or proposal was returned and not considered for the award.

All potential bidders or proposers shall sign-in at the location of either the walk through or pre-bidders/proposal conference and provide all the information requested on the sign-in form provided by the Purchasing Agent, or his/her designee.

G. BID SUBMISSION AND OPENING

Sealed bids are to be received and retained by the Purchasing Agent in the Finance Department until the date and time for the bid opening, as specified in the Public Notice/Request for Proposal. The sealed bid envelope shall be marked with a date stamp identifying the date (month/day/year) the bid was received in the Finance Department. The time of the day the sealed bid envelope arrived, if not automatically imprinted, will be manually written on the lines provided by the date stamp and initialed by the employee of the Finance Department who received the bid. Sealed bids are also accepted in person at the location of the bid opening up until the time specified by the Public Notice/Request for Proposal.

Bids received after the date and time specified in the Public Notice/Request for Proposal shall be disqualified and returned unopened accompanied by a memo explaining why the Request for Proposal was returned and not considered for the award. After receipt in the Finance Department, bids may be withdrawn up to the scheduled time for opening upon presentation of proper identification, as determined by the Purchasing Agent, or his/her designee. A formal written request for withdrawal must be made to the Purchasing Agent, who shall file the request in the Request for Proposal file. Bids shall be opened promptly at the time designated in

the Public Notice/Request for Proposal by the Staff Accountant in Charge Purchasing or any other individual as designated by the Finance Officer, County Executive or County Board of Commissioners. The Purchasing Agent or his/her designee shall open and review the bid(s) and reads aloud the name of the bidder(s), the amount of the bid(s), and any other pertinent information contained in or omitted from the bid(s). The Purchasing Agent or his/her designee shall initial and date each bid after he/she has reviewed it and proceed to forward it to all individuals present at the bid opening for them to review, initial, and date. The proceedings are recorded by the Purchasing Agent or some other designated individual.

Bidders and the public are encouraged to attend bid openings, and may examine the bid documents after all bids have been opened.

H. EVALUATION OF BIDS AND RECOMMENDATION OF SUCCESSFUL BIDDER

Following the bid opening, the Purchasing Agent presents the results of the bid opening to the Finance Officer with an analysis identifying the best low/high qualified bidder and a recommendation as to which bidder to award the bid. The term "low/high qualified bidder" means a bidder whose bid conforms in all material respects to the Request for Proposal, who has the capability in all respects to perform the requirements, and who by its integrity and reliability gives reasonable assurance of good faith performance for the financial benefit of the County.

In determining the lowest/highest qualified bidder, the Purchasing Agent or his/her designee may, after the bid opening, enter into discussions with any responsible bidder who submitted a proposal which is determined to be reasonably susceptible of being awarded the bid, to obtain additional information regarding the bidders ability to perform or to clarify a bidders proposal to assure the Purchasing Agent or his/her designee that the bidder(s) has a full understanding of and can conform to the requirements of the Request for Proposal. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted, after the bid opening and prior to awarding, for the purpose of obtaining best and final offers. In conducting the discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders.

No bidder is permitted to alter the dollars bid after the opening.

A voluntary or negotiated reduction/increase in price from lowest/highest qualified bidder can be accepted after the opening of the bid, provided such reduction/increase does not result in the modification or deletion of any conditions or specifications contained in the bid documents.

I. BID AWARD

1. The bid shall be awarded directly to the successful bidder by the Bay County Finance Officer upon the following criteria being met:
 - a. The product or service for which the Request for Proposal was written is included and funded in the current years adopted/amended budget.
 - b. The lowest/highest qualified bid received by the County, for which the bid will be awarded, is either equal to or less/greater than the amount budgeted for this procurement/sale in the current year adopted/amended budget.
 - c. Utilizing the Notice of Intent to Award form, the Finance Officer shall notify the Bay County Board of Commissioners, the Bay County Executive, and all bidders of his/her intent to award the bid to the lowest/highest qualified bidder on the eleventh (11th) working day from the date of notice. Said notice shall include the names and addresses of all bidders, their respective bid(s), reason(s) for disqualifying certain bidders and for awarding the bid to a bidder other than the lowest/highest qualified bidder.
 - d. If concerns or opposition from the Board of Commissioners and/or County Executive, inclusive of an unresolved bid protest being filed by a bidder in accordance with the procedures outlined in Section I, to the Intent to Award arise within ten (10) working days from the date of the Notice of Intent to Award, said concerns or opposition shall be communicated to the Finance Officer in writing and the Finance Officer shall be precluded from awarding the bid and shall follow the procedures outlined in Subsection (2) immediately below.
2. If the bid cannot be directly awarded to the successful bidder by the Bay County Finance Officer because the criteria in Subsection (1) immediately above could not be met, then:
 - a. The recommendation to the Finance Officer from the Purchasing Agent is forwarded by the Finance Officer to the Ways and Means Committee of the County Board of Commissioners for their consideration and action who in turn will forward their recommendation to the full County Board of Commissioners for awarding.
 - b. Utilizing the Notice of Recommendation, the Finance Officer shall notify all bidders, as soon as it is practical, of his recommendation to the Ways and Means Committee of the Board of Commissioners.
 - c. If a Bid Protest form has been filed by a bidder in accordance with the procedures outlined in Section L relative to the Notice of Recommendation

within the time allotted for such filing, the Finance Officer shall communicate such protest to the Ways and Means Committee prior to their action on his/her recommendation. The Ways and Means Committee must then decide, after reviewing the Bid Protest and listening to the testimony of the Finance Officer and the protesting bidders, whether:

1. To accept the recommendation of the Finance Officer and follow Subsection 2. (a) above and Section L. (4), or
2. To take no action on the Finance Officer's recommendation and follow Section L. (4).
3. The Purchasing Agent or his/her designee shall notify all bidders of the final action taken, either by the Finance Officer or the Board of Commissioners, by preparing and mailing to them a Notice of Bid Action. For informational purposes only, a copy of the Notice of Bid Action shall be placed on the agenda of the next Ways and Means Committee meeting of the Board of Commissioners. In addition to the Notice of Bid Action being mailed, the Purchasing Agent shall also execute or facilitate the execution of the documents described below in Subsection 4.
4. The execution of the Notice of Bid Action is made by the Purchasing Agent or his/her designee to the lowest/highest qualified bidder through one of two procedures:
 - a. By facilitating the execution of a formal contract between Bay County and the successful bidder, supported by a performance and payment bond, if required, when periodic payments are made for work performed pursuant to a Contract and prior to completion of all the work, (e.g., construction work), or
 - b. By issuing a Bay County Purchase Order.

J. LOW TIE BIDS

At the discretion of the Board of Commissioners, award shall be made in any permissible manner that will discourage tie bids. If no permissible method will be effective in discouraging tie bids, then the award shall be made by drawing lots.

K. EXTENSION OF DATES

As a result of extenuating circumstances, it may be necessary for the County to either extend the date which bids are due to be received by the County or the date to which all bids are to be valid. In either case, it shall be the responsibility of the Purchasing Agent or his/her designee to inform all parties concerned, via oral and

written communications, of the County's intent on extending the relevant date, inclusive of any other pertinent date(s) that will change, along with the reasons for the extension.

If the date which the bids were to be received has been extended, along with all the other pertinent dates, the dates identified in Subsection G of this section, "Bid Submission and Opening," shall be those identified in the above stated communication.

If the date to which all bids were to be valid needs to be extended, all bidders will have the right to withdraw their bid from consideration. A formal written request for withdrawal must be made to the Purchasing Agent, who shall file said request in the Request for Proposal file.

L. BID PROTEST PROCEDURE

The following process will be used to allow bidders to officially lodge a protest regarding any phase of the bid process including but not limited to specification preparation, bid solicitation, award, or disclosure of information marked confidential in the bid or offer:

1. Bidders must obtain and complete a Bid Protest form identifying the substance and reason for the protest. The Bid Protest form can be obtained from the Purchasing Agent in the Bay County Finance Department or his/her designee.
2. The bidder must file the protest within ten (10) working days from the date of the Notice of Intent by submitting the completed form to the Purchasing Agent or his/her designee.
3. The bidder must file the protest the earlier of the day prior to the County's Ways and Means Committee meeting, or within ten (10) working days from the date of the Notice of Recommendation by submitting the completed form to the Purchasing Agent or his/her designee. The protesting bidder(s) may address the Ways and Means Committee at the meeting where the Committee will consider the recommendation of the Finance Officer.
4. Within seven (7) working days of the filing of the bid protest form, the Finance Officer, after consultation with the Staff Accountant in Charge of Purchasing, shall prepare and send, via certified mail through the U.S. Postal Service, a response to the bid protest filed under either Subsection (2) or (3) of this section.
5. If not satisfied with the response of the Finance Officer regarding the bid protest filed under Subsection (2) of this section, the bidder(s) may address the Ways and Means Committee of the Board of Commissioners by requesting

the Finance Officer place their protest on the agenda of their next scheduled meeting. Said request must be in writing and received in the Finance Department or postmarked within seven (7) working days from the date of response to the protestor. The protestor must clearly identify on the envelope **"BID PROTEST."**

The Purchasing Agent shall upon written request make available to any interested party information submitted that bears on the substance of the protest except where information is proprietary, confidential, or otherwise permitted or required to be withheld by law or regulation.

The Board of Commissioners or the Finance Officer shall not award any bid until the protest has been settled, unless the Board of Commissioners or the Finance Officer makes a written determination after consulting with Corporation Counsel that the award of the bid without delay is necessary to protect substantial interests of the County.

M. CANCELLATION OF INVITATIONS/REQUESTS FOR OR REJECTION OF QUOTES/BIDS/PROPOSALS

An Invitation for Quotes/Bids, a Request for Proposal, or any other solicitation may be canceled, or any or all bids, quotes, or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for a good cause and in the best interest of the County. The reason(s) for the cancellation or rejection shall be made part of the specific procurement file. Each solicitation issued by the County shall state that the solicitation may be canceled and that any quote, bid, or proposal may be rejected in whole or part for good cause when in the best interests of the County. A Notice of Cancellation shall be sent to all vendors solicited. The notice shall identify the solicitation, provide the reason(s) for cancellation, and, when appropriate, identify that an opportunity will be given to all vendors to resubmit a quote, bid, or proposal, on any resolicitations or any future solicitations of similar items. A Notice of Rejection shall be sent to all bidders or offerors whose bids(s), quotes(s), or proposal(s) were rejected enumerating the reasons for rejection.

SELECTION PROCESS FOR SUPPLEMENTAL PRIVATE ATTORNEYS

Michigan law states in MCL 45.563 (13)(e), "the department of corporation counsel if adopted shall perform as provided by law all civil law functions and provide property acquisition services for the county as provided by law."

To comply with Michigan law, all civil attorney services shall be engaged through the Bay County Department of Corporation Counsel or otherwise as in accordance with Michigan law. For separate governmental entities, such as the Bay County Building Authority, Corporation Counsel provides upon written request, legal consultation and some legal services in accordance with the following terms and conditions:

- Corporation Counsel, in response to services required, including, but not limited to defense of claims, assistance to elected officials, and other necessary legal tasks, shall perform a legal analysis of any project presented. In such

A. MANDATORY TERMS AND CONDITIONS FOR ENGAGING PRIVATE ATTORNEYS:

1. Liaison Obligations: Corporation Counsel shall serve as liaison to outside counsel to coordinate all civil legal services provided to the County and subject to Michigan law and the following terms and conditions shall:
 - a. Perform personally all civil legal services for the County, except where services needed exceed capacity of the Department of Corporation Counsel, are subjected to contractual obligations, or are appropriate for referral to private counsel.
 - b. Initiate and participate in the Qualifications-based Selection Process for all engagements where attorney services needed are likely to exceed \$20,000 in legal fees.
 - c. Use appropriately, budgeted funds to retain attorneys for assignments where services needed are unlikely to exceed \$20,000 in legal fees and shall provide retention letters compliant with this Policy. In such instances, Corporation Counsel may select counsel to perform on behalf of Corporation Counsel, these limited tasks, based upon qualifications and negotiated rates. Such project attorneys shall be recruited through continual solicitations on the County website or via other media in cooperation with the County Purchasing Agent.
 - d. Shall review bills monthly with questions or issues addressed prior to payment.
 - e. Shall specify deadlines, stages, or maximum numbers of hours authorized for a representation, whenever feasible.
 - f. Shall tailor engagements whenever possible to minimize travel costs by careful scheduling, use of video or teleconferences and similar methods.
 - g. Shall avoid using attorneys for non-legal work.
2. Fees and Costs: Any private attorneys, prior to retention by the County for civil legal services, shall agree to the following fees and cost requirements:
 - a. Grant the County any discount attorney currently grants to other municipal entities or provide rationale for waiving discount for County.

- b. Agree in writing to the hourly rate negotiated with the County for the representation.
 - c. Notify the County prior to retention of any customary out-of-pocket rates to be charged. The County will reimburse reasonable rates for the following, if specified in advance:
 - Postage, court fees, and reasonable copy costs may be charged,
 - Travel costs may be charged, subject to applicable selections of the Bay County Travel Policy,
 - Electronic or other extraordinary costs of specialized research sites.
 - d. Provide periodic progress reports as a condition of payment.
 - e. Submit invoices for services monthly. Invoices shall be itemized except for detail subject to the attorney-client privilege. The minimum billing increment shall be .1 hour. The County shall not pay hourly rates billed for clerical services.
 - f. Refrain from billing County for retention of other professionals unless receiving advance written authorization from liaison.
3. Other Terms: Any private attorney retained shall agree to the following additional terms and conditions.
- a. The attorney and associated must warrant that no conflicts of interest exist or will be accepted during this County representation except if the County is notified and voluntarily waives such conflicts.
 - b. Upon selection, the engagements shall be personal to each attorney retained and substitution or use of other qualified attorneys or legal assistants shall be approved in advance by the liaison.
 - c. The attorney or firm must identify any of its employees whose relatives are County officials or employed by County agencies.
 - d. All original documents shall be provided for the County's files, except as otherwise required by law.

PART II

**BAY COUNTY BUILDING AUTHORITY
PURCHASING POLICY**

PREFACE

The most common and simplistic definition of purchasing is buying and everyone knows what buying involves. However, governmental purchasing, whether at the local, state, or federal level, is very different and far more complex than buying that occurs in the private sector. Unlike everyday consumer buying, governmental purchasing involves the expenditure of taxpayers' money to obtain products and services that the government will use to deliver public services. The legal requirements of governmental purchasing complicate the seemingly simple task of procuring needed products and services. As a result, this critical support function has evolved into a highly controlled and accountable process that is governed by a myriad of laws and ordinances, rules and regulations, judicial and administrative decisions, and procedures and practices.

The following policy identifies the various policies and procedures generally accepted throughout government and tailored to the Bay County Building Authority's specific needs in the procurement of its products and services.

PURPOSE

The purpose of this Policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by the Bay County Building Authority, to maximize the purchasing value of public funds in procurement, to provide safeguards for maintaining a procurement system of quality and integrity, to inform and provide guidance to all individuals involved in public purchasing regarding the application of the policies and procedures to be adhered to in the procurement of products and services, and to ensure that expenditures are incurred and recorded timely in compliance with the annual budget as adopted by the Bay County Board of Commissioners via their General Appropriation Budget Act Resolution and any amendments to the annual budget as approved by the Bay County Board of Commissioners.

APPLICATION

This Policy applies to contracts for the procurement of supplies, services, and construction entered into by the Bay County Building Authority after the effective date of this Policy. It shall apply to every expenditure of public funds by a public agency for purchasing irrespective of its source. When the procurement involves the expenditure of Federal or State assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory Federal or State law and regulations which are not reflected in this Policy. Nothing in this Policy shall prevent any public agency from complying with the terms and conditions of any grant, gift, or bequest which are otherwise consistent with law.

PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a public record to the extent provided in Act 442 of the Public Acts of 1976 (Michigan Compiled Laws (MCL) 15.231 et seq.), as amended, and shall be available to the public as provided in said statute.

CENTRALIZED PURCHASING

Purchasing shall be centralized within the Finance Department as per the resolve of the Board of Commissioners in compliance with the Unified Form of County Government Act, PA 139, 1973 Article 5.302(63), Section 13(b) which states:

“THE DEPARTMENT OF FINANCE SHALL supervise the execution of the annual county budget and maintain expenditure control; perform all central accounting functions; collect monies owing to the county not particularly

within the jurisdiction of the county treasurer; PURCHASE SUPPLIES AND EQUIPMENT REQUIRED BY COUNTY DEPARTMENTS; and perform all investment, borrowing, and debt management functions except as done by the county treasurer."

In accordance with this Policy and under the direct supervision of the Project Manager, the Purchasing Agent or his/her designee shall serve as the Bay County Building Authority's principal public purchasing official for the procurement of supplies, services, equipment, and construction needed by, as well as the disposal, by way of selling via competitive bids, trading, auctioning, or scrapping of surplus supplies and equipment belonging to the Bay County Building Authority.

Consistent with this Policy and with the approval of the Project Manager, the Staff Accountant responsible for Building Authority functions may adopt operational procedures relating to the execution of his/her duties and may delegate authority to purchase certain supplies, services, equipment, or construction items to other Bay County Building Authority officials, if such delegation is deemed necessary for the effective and efficient procurement of those items.

ETHICS IN PUBLIC PROCUREMENT

All County employees and officer (public servants) shall conduct themselves in conformity with 1968 PA 317, MCL 15.321 et seq.; MSA 4.1700 (51) et seq. This Act establishes standards in respect to governmental decisions and conflicts of interest arising out of the solicitation, negotiation, or approval of contracts between public servants and public entities such as the County.

I. ETHICAL STANDARDS OF CONDUCT

A. CONFLICT OF INTEREST

1. It shall be unethical for any employee or officer of the the Bay County Building Authority to participate directly or indirectly in a procurement where the employee or officer knows that:
 - a. The employee or officer or any member of the employee's or officer's immediate family has a financial interest pertaining to the procurement; or
 - b. Any other person, business, or organization with whom the employee or officer, or any member of an employee's or officer's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

2. It shall be unethical for, and this Policy prohibits, employees or officers of the Bay County Building Authority from acting as a vendor of the Bay County Building Authority. This prohibition shall not apply to part-time Bay County Building Authority employees who are paid for working an average of twenty-five (25) hours or less per week pursuant to Public Act 317 of 1968, as amended (MCL 15.321, et seq).
3. It shall be unethical for any current employee or officer of the Bay County Building Authority who is participating directly or indirectly in the procurement process to be or become employed by any person or firm contracting with the Bay County Building Authority.
4. It shall be unethical for any current employee or officer of the Bay County Building Authority to use a County Purchase Order or their County influence to obtain goods or services for themselves or others at Bay County Building Authority prices or at a discount which could not otherwise be obtained.

B. CONFIDENTIAL INFORMATION AND COLLUSION

1. Confidential Information. It shall be unethical for any employee, officer, former employee, or former officer to knowingly use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.
2. Collusion. It shall be unethical for two (2) or more vendors, suppliers or bidders to collude with the intent to defraud the Bay County Building Authority by submitting prices, quotes, or bids that are identical or nearly identical or submitting prices, quotes, or bids that will favor one or more vendors, suppliers, or bidders.
 - a. When for any reason collusion or other anti-competitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the State Attorney General.

II. ADMINISTRATIVE SANCTIONS

A. EMPLOYEES/OFFICERS

1. The Bay County Board of Commissioners or County Executive may impose on a County employee or officer, for any violations of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions as allowed for in the applicable labor agreement, personnel policy, or State statute.
 - a. Oral or written warnings or reprimands;

- b. Suspension from work, with or without pay, for specified periods of time; or
 - c. Termination of employment.
- 2. Disallowed Expenditures. Michigan Statutes prohibit officers or employees from using funds under the officer's or employee's official care for personal gain or benefit. Therefore, Bay County Building Authority officials and employees are prohibited from expending County Funds for flowers, plants, fruit baskets, expressions of sympathy, etc. except as authorized specifically by statute. The Finance Department will disallow expenditures made in violation of this policy.

B. NON-EMPLOYEES

- 1. The Bay County Board of Commissioners or County Executive may impose on a non-employee for any violation of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions:
 - a. Written warnings or reprimands;
 - b. Termination of contracts, or;
 - c. Debarred or suspended from conducting business with the County for specified periods of time.

III. CRIMINAL PENALTIES

To the extent that violations of the ethical standards of conduct set forth in this section constitute violations of the State Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to the administrative sanctions set forth in this section and/or any civil sanctions. Criminal, civil, and administrative sanctions against employees or non-employees which are in existence on the effective date of this Policy shall not be impaired.

IV. RECOVERY OF VALUE

The value of anything transferred or received as the result of a violation of any of the ethical standards of conduct set forth in this section by any employee or non-employee shall be recovered from said employee or non-employee.

DEBARMENT OR SUSPENSION

AUTHORITY TO DEBAR OR SUSPEND. After reasonable notice to the person(s) involved and reasonable opportunity for that person to be heard, the Finance Officer, after consulting

with the Project Manager, the County's Corporation Counsel, and the Purchasing Agent is authorized to debar a person, for cause, from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years. After consultation with the Project Manager, the County's Corporation Counsel, and the Purchasing Agent, the Finance Officer is authorized to suspend the person(s) from consideration for award of contracts if there is a probable cause to believe that the person(s) has engaged in any activity which might lead to debarment. The suspension shall not be for a period exceeding three (3) months. The causes for debarment include:

1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
2. Conviction under state and federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects his/her/their responsibility as a County contractor;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Officer and the Project Manager to be so serious as to justify debarment action:
 - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contracts; or
 - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
5. Any other cause the Finance Officer and the Project Manager determines to be so serious and compelling as to affect his/her/their responsibility as a County contractor, including debarment by another governmental entity for any cause listed in this policy; and
6. For violation of the ethical standards set forth in the ETHICS IN PUBLIC PROCUREMENT section of this policy.

The Finance Officer shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person(s) involved of their rights concerning judicial or administrative review. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person(s), the Bay County Board of Commissioners, and the Bay County Executive.

A decision to debar or suspend shall be final and conclusive unless fraudulent, or the debarred or suspended person(s), within ten (10) days after receipt of the decision, makes an appeal to the Bay County Board of Commissioners or commences a timely action in court in accordance with applicable law.

DISCRIMINATION

Any individual or business entity providing goods and/or services to the Bay County Building Authority shall be required to comply with current provisions of the Americans with Disabilities Act (ADA) (the Equal Opportunity Act for Individuals with Disabilities 42 USC 12101 et seq.), Equal Employment Opportunities (42 USC 2000e), Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), the Elliot-Larsen Civil Rights Act (MCL 37.1201 et. seq.), and the Michigan Handicappers' Civil Rights Act (MCL 37.1101 et seq.). Such individual or business entity shall not discriminate against any individual with respect to hire, tenure, terms, conditions or privileges of employment because of a handicap that is unrelated to the individual's ability to perform the duties of a particular job position, or because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant shall be regarded as a material breach of any transaction or agreement between the Bay County Building Authority and the individual or business entity. The County shall vigorously enforce this covenant through use of sanctions available within the Bay County Purchasing Policy or legal action.

QUALIFICATIONS-BASED SELECTION

Qualifications-Based Selection (QBS) has received national and state attention in the public sector through legislation for many years. In 1972, the federal government enacted Public Law 92-582 (The Brooks Selection Bill) covering the selection of architects and engineers based on qualifications. In 1987, the Michigan Legislature passed House Concurrent Resolution #206 which provided a documented understanding of the process. Qualifications-Based Selection which is a fair and rational procedure that facilitates the selection of a design professional on a basis of qualifications and competence in relation to the scope and needs of a particular project, shall be used for obtaining architectural, engineering, land surveying, and other related professional design services on the Bay County Building Authority public projects. The QBS process, as outlined in the publication, Qualifications-Based Selection of Design Professionals by Qualifications-Based Selections, Inc., or a modified version thereof suitable to the project being undertaken will include all or some of the following steps:

1. The Bay County Building Authority identifies the general scope of the work.
2. A selection schedule is established.
3. A list of design professional firms is developed.
4. Qualification documents are requested.

5. Qualification documents are evaluated.
6. A short list of firms to be interviewed is composed.
7. Interviews are conducted.
8. Firms are ranked for selection.
9. A contract is negotiated with the top ranked firm.
 - a. If an agreement cannot be reached, those negotiations are ended and negotiations are begun with the second ranked firm, and so on down the line, until agreement is reached and a firm selected.
10. All firms involved receive post-selection communications.

Qualifications-Based Selection may be used for the selection of other, non-federally funded, professional services as deemed appropriate by the Bay County Building Authority or the Project Manager. These other, non-federally funded, professional services shall include, but are not limited to, the following:

1. Financial Advisors.
2. Construction Managers.
3. Attorneys/Bond Counsel.
4. Underwriters.
5. Auditors - Certified Public Accountants.
6. Third Party Administrators.
7. Environmental and Geotechnical Services
8. Architects.
9. Consultants.
10. Surveyors.
11. Engineers.
12. Appraisers.

When deemed appropriate to utilize the QBS process in the selection of professional services, this process shall be carried out through the establishment of a QBS Committee. QBS shall be used in every instance where the Qualifications-Based Selection Committee determines that attorney services needed for a proposed project are likely to exceed \$20,000. This Committee will be charged with the responsibility of implementing the QBS process at a level commensurate to the project at hand and to provide a recommendation to the Bay County Building Authority. The composition of the QBS Committee shall consist of the following individuals:

1. Chair of the board of Commissioners (or designee)
2. Board of Commissioners' Financial Analyst
3. The Purchasing Agent
4. The Elected Official, Department/Division Head
5. Corporation Counsel
6. Finance Officer
7. Any other individual who could provide valuable input and be beneficial to the selection process as identified by the three (3) previous named individuals, such as the Director of Administrative Services.

SALES TAX EXEMPTION

The Bay County Building Authority shall not be charged or pay sales tax. Bay County, as a Michigan Constitutional Corporation, is exempt from sales tax per Act 167 of Public Acts established in 1933. Per Section 4 of the General Sales Tax Act, MCL 205.54(5); MSA 7.524(5), and Michigan Sales and Use Tax Rule, 1979 AC, R205.79 provide that sales to the United States government, the State of Michigan, and their political subdivisions, departments and institutions are not taxable when ordered on a Purchase Order and paid for by warrant on government funds. In the alternative, the government may claim exemption at the time of purchase by providing the seller with a signed statement to the effect that the purchaser is a governmental entity. This position was affirmed by the Michigan Department of Treasury through its Revenue Administrative Bulletin 1990-32, approved on October 11, 1990.

Under the above referenced documents, the State of Michigan maintains that Bay County is not required to have a sales tax exemption number and that unless a purchase is paid for by warrant on governmental funds (with a Bay County check), the seller does not have

to exempt the sale. The issuance of a Bay County Purchase Order or a Michigan Sales Tax Exemption Certificate does not, by itself, mandate the seller to exempt the sale. Therefore, the Bay County Building Authority shall utilize Bay County's Purchase Order and accounts payable system to the fullest extent possible when purchasing and paying for tangible personal property while still adhering to the other provisions within this Purchasing Policy.

LOCAL VENDORS

The purchasing profession does not advocate providing local vendors preferential treatment in the awarding of bids, contracts, or Purchase Orders. Therefore, in order to preserve the integrity of the Bay County Building Authority's procurement system, and to promote fair and pure competition for Bay County's business, local vendors shall not be provided a preferential status in the procurement of goods or services for the Bay County Building Authority; however, when vendor submissions are equal, supplies offered by vendors who have an established local business in the County shall have preference .

MINORITY/WOMEN BUSINESSES

When required, pursuant to the federal Office of Management and Budget Circular 102, Grants and Cooperative Agreements with State and Local Government, the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments and State of Michigan, Public Act 428 of 1980, affirmative steps will be implemented to seek out, solicit and use minority-owned firms, women's business enterprises when purchasing goods or services with federal funds.

SOLE SOURCE PROCUREMENTS

A contract may be awarded without competition when the Purchasing Agent or his/her designee determines, in writing, after conducting a good faith review of available resources, and upon the concurrence of the Project Manager, that there is only one source for the requested product or service. The Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery, and terms. A record of sole source procurements shall be maintained as a public record that lists each vendor's name, the amount and type of each purchase, and a listing of the item(s) procured from each vendor.

EMERGENCY PROCUREMENTS

Notwithstanding any other provision of this policy, when there exists a threat to the public's health, welfare, safety, or a threat of deterioration of a critical departmental service the Purchasing Agent or his/her designee, upon the concurrence of the Project Manager, may make emergency procurement of products or services; or in a circumstance when an

emergency condition arises during a time, e.g., after regular business hours, when the procedures outlined in the exemption section under “Large Purchases” are not practicable, the Project Manager may procure only those products or services minimally required to alleviate the emergency condition provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of a particular vendor shall be included in/on the procurement file/paperwork. As soon as it is practicable, a record of each emergency procurement shall be made and it shall set forth the vendor’s name, the amount and type of each purchase, a listing of the item(s) procured from each vendor.

CAPITAL ASSET TAGS

It shall be the responsibility of the Finance Department to assign a permanent, prenumbered Bay County asset tag to any item purchased deemed by them to be an item necessary to be inventoried and controlled. The asset tag shall be assigned at the time the purchase is made and shall be noted on the Purchase Order. The asset tag shall be sent to the Bay County Building Authority along with the Building Authority’s copy of the Purchase Order. It shall be the Staff Accountant responsible for Building Authority functions responsibility to attach the asset tag to the asset.

LABOR-MANAGEMENT COOPERATION AGREEMENTS/PREVAILING WAGES

Unless prohibited by law, the Bay County Building Authority may designate projects for which a prevailing wage standard or labor-management cooperation agreement shall be advantageous to the County and shall be employed.

METHODS OF CONSTRUCTION MANAGEMENT

The selection of an appropriate method to manage a construction project should depend on factors such as: the method of the construction to be procured, the uncertainties which may be involved in the construction; and the extent to which the Bay County Building Authority or the Contractor is to assume the risk of the cost of performance of the construction contract. The various methods differ in the degree of responsibility assumed by the contractor.

The objective when selecting an appropriate method to manage a construction project is to obtain the best value in the needed construction, in the time required, and at the lowest cost to the County. In order to achieve this objective, the Bay County Building Authority before choosing a construction method, should review those elements of each alternative method which directly affect the cost, time, risk, and profit incentives bearing on the performance.

Among the factors to be considered are:

1. The type and complexity of the construction;
2. The difficulty of estimating performance costs such as the inability of the County to develop definite specifications, to identify the risks to the contractor inherent in the nature of the work to be performed, or to establish clearly the requirements of the project;
3. The amount and type of financing available;
4. The administrative costs to both parties;
5. The degree to which the County must provide technical coordination during the construction project and a realistic appraisal of the availability, qualifications, and experience that County personnel can bring to the project;
6. The availability of outside consultants;
7. The effect of the choice of the method of management of the construction project on the amount of competition to be expected;
8. The stability of material prices or wage levels;
9. The urgency of the construction;
10. The length of construction;
11. The size, scope, complexity, and economics of the project;
12. The location of the project and whether a contractor's site may be used;
13. The results achieved on similar projects in the past and the methods used; and
14. The extent to which the County's requirements and the ways in which they are to be met are known.

The following are the most common methods of construction management which are not all mutually exclusive and may be combined on one project:

1. SINGLE PRIME CONTRACTOR. The single prime contractor method of contracting is typified by one business, a General Contractor, contracting with the County to timely complete an entire construction project in accordance with plans and specifications provided by the County. Often these plans and

specifications are prepared by a private architectural firm under contract to the County. Further, while the General Contractor may take responsibility for successful completion of the project, much of the work may be performed by specialty contractors with whom the prime contractor has entered into contracts.

2. MULTIPLE PRIME CONTRACTORS. Under the multiple prime contractor method, the County or County's Agent contracts directly with a number of specialty contractors to complete portions of the project in accordance with the County's plans and specifications. The County or its Agent may have the primary responsibility for successful completion of the entire project, or the contracts may provide that one of the multiple prime contractors has this responsibility.
3. DESIGN-BUILD OR TURNKEY. In a design-build or turnkey project, a business contracts directly with the County to meet the County's requirements as described in a set of performance specifications by constructing a facility to its own plans and specifications. Design responsibility and construction responsibility both rest with the design-build contractor. This method can include instances where the design-build contractor supplies the site as part of the package.
4. CONSTRUCTION MANAGER. A Construction Manager is a person experienced in construction that has the ability to evaluate and to implement plans and specifications as they affect time, cost, and quality of construction; and the ability to coordinate the design and construction of the project, including the administration of change orders. The County contracts with a qualified Construction Manager to act for the County in the construction project as specified in the Construction Management Contract. At times the Construction Manager may become a single prime contractor, or may guarantee that the project will be completed on time and will not exceed a specified maximum price (Guaranteed Maximum Price - GMP). At such times the Construction Manager will become responsible, just as any single prime contractor, to complete the project at or below the specified price.
5. CONSTRUCTION CONSULTANT. The Construction Consultant is a person that shall serve as agent of the County, providing pre-construction and construction administration services by assisting and providing administrative support to the County in connection with a construction project. The Construction Consultant accepts the relationship of trust and confidence established between it and the County. The Construction Consultant agrees to furnish its best skill and judgment to perform its services in the most expeditious economical manner consistent with the stated interests of the County and with the staff organization of the Construction Consultant.

6. SEQUENTIAL DESIGN AND CONSTRUCTION. Sequential design and construction denotes a method in which design of substantially the entire structure is completed prior to beginning the construction process.
7. PHASED DESIGN AND CONSTRUCTION OR FAST-TRACK CONSTRUCTION. Phased design and construction denotes a method in which construction is begun when appropriate portions have been designed, but before substantial design of the entire structure has been completed.

CONSTRUCTION CONTRACT CHANGE ORDERS

During the course of a construction project it may become necessary to modify the scope of the project in varying degrees depending on each individual circumstance. By modifying the scope of the project it will necessitate amending the construction contract via a change order. Construction contract change orders may be approved by the Bay County Building Authority after consultation with the Project Manager and the architect, engineer, consultant, or a qualified individual involved with and has knowledge of the project and the requested modification, and that the Bay County Building Authority is satisfied with the rationale provided for the requested change. For informational purposes, any and all change orders approved by the Bay County Building Authority shall be forwarded to the Bay County Board of Commissioners as soon as possible after approval.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be issued when the Purchasing Agent or his/her designee determines, after consultation with the Project Manager, that the issuance of a blanket purchase order will result in procurement efficiencies or in a financial benefit to the Bay County Building Authority. Blanket purchase orders shall not exceed twelve (12) months and shall terminate at the end of each fiscal year. Blanket purchase orders will be available for the purchase of materials and supplies that will be purchased on a frequent or repetitive basis. Blanket purchase orders shall not be used for the purchase of equipment.

COMPUTER HARDWARE/SOFTWARE

The County has recognized the need to review and control the purchasing of computer hardware and software. All Bay County Building Authority requests for computer hardware and/or software shall be submitted to the Information Systems Division (ISD). The Information Systems Division must review all requests regardless of funding source. If the Bay County Building Authority's requirements are budgeted within ISD's budget, ISD will initiate the necessary procurement documents.

In order to produce efficiencies in the procurement of computer hardware and/or software, to enhance employee productivity, and to receive financial benefits from excellent pricing, the Information Systems Division shall purchase computer hardware and/or software at or below the prices that have been negotiated for federal Government Service Administration (GSA) contract pricing or the State of Michigan, Department of Management and Budget, Extended Purchasing Program, when applicable.

MAINTENANCE CONTRACTS

Generally, no full, preventative, or time and material maintenance contracts shall be purchased on equipment that has a replacement value of less than one thousand dollars (\$1,000) unless deemed financially beneficial by the Project Manager and the Purchasing Agent. Equipment having a replacement value in excess of one thousand dollars (\$1,000) shall be eligible for coverage under a full, preventative, or time and material maintenance contract as deemed appropriate by the Project Manager.

PROCUREMENT RECORDS

All determinations and other written records, such as purchase requisitions/orders and bid files, pertaining to the solicitation and/or award of the Bay County Building Authority business shall be maintained for the Bay County Building Authority by the Purchasing Agent within the Finance Department.

All procurement records shall be retained and disposed of by the Bay County Building Authority in accordance with the records retention schedules and guidelines as determined by the Project Manager.

TRAVEL EXPENDITURES

For all County Employees and Elected/Appointed Officials who will be traveling on Bay County Building Authority business and who will be incurring business related expenses associated with their travels should refer to the County of Bay, Standard Travel Policy for guidance.

PETTY (IMPREST) CASH PURCHASES

(PURCHASES COSTING LESS THAN \$100)

All items of expense with a value of one hundred dollars (\$100) or less may be purchased with cash. These cash acquisitions can be advanced and/or reimbursed to the employee

or official through the petty (imprest) cash fund maintained by the County Treasurer upon submission of a Bay County Petty Cash Voucher.

The Petty Cash Voucher must be completed in it's entirety before it can be honored by the Bay County Treasurer. The Petty Cash Voucher requires the following information to be supplied in addition to a sales slip, invoice, or some other document that can support the purchase and be attached to the Petty Cash Voucher, if applicable.

1. Date purchased/advanced.
2. Amount advanced.
3. Vendor purchased from.
4. Item(s) purchased.
5. Cost per item purchased.
6. Total price paid.
7. Department name.
8. Fifteen (15) digit budget account number(s) and related amount to be charged.
9. Employee/Official who made the purchase/received advance.
10. The Building Authority Chairperson, Project Manager, or their designee authorization for reimbursement.

The Bay County Treasurer may advance up to one hundred dollars (\$100) from petty cash to any employee/official to facilitate the purchasing needs of the Building Authority upon receipt of a Petty Cash Voucher authorizing an advance to be granted. Such advance must be expended within the working day the advance was granted. By the end of the working day the employee/official shall return to the custodian of the petty cash fund any unspent cash remaining after the procurement, along with a completed Petty Cash Voucher and any support documents as identified above. The total of the remaining cash returned and the Petty Cash Voucher must equal the total amount advanced.

The Bay County Treasurer or any department which maintains a petty (imprest) cash fund shall not honor a Petty Cash Voucher unless all the required information requested on the Petty Cash Voucher is supplied. Periodically, when their funds are nearly depleted, and by utilizing the Petty Cash Vouchers they have honored, the County Treasurer and other departments shall replenish their petty cash funds by completing, and forwarding to the

Finance Department/Accounts Payable, a Master Bay County Accounts Payable Voucher for processing identifying the various departmental budgets and amounts to be charged.

MINUTE PURCHASES

(PURCHASES COSTING LESS THAN \$500)

Providing for the adequate and proper controls over the procurement of products or services to ensure that the Bay County Building Authority dollars are being expended in compliance with project budgets and to detect or to prevent irregularities in the procurement functions would necessarily require Purchase Orders to be produced for all procurements. However, a determination needs to be made regarding the efficiency and cost effectiveness of controlling every purchase made by the Building Authority through the issuing of Purchase Orders. The question needs to be asked as to whether the value of the benefit received is greater than the cost incurred in controlling every purchase. It is the opinion of the Board of Commissioners that the cost of issuing Purchase Orders on purchases, whether for products or services, costing less than five hundred dollars (\$500) is greater than the benefit the Building Authority will receive. Therefore, for the procurement of products or services costing less than five hundred dollars (\$500), the following shall apply:

1. Purchase Orders shall not be required.
2. The Building Authority can place the order or purchase the product(s) or service(s) directly, or utilize the Purchasing Agent or his/her assistant in the Finance Department for purchasing assistance.
3. Three (3) phone quotations shall not be required prior to procurement.

However, the Building Authority is encouraged to implement the prudent person philosophy when placing an order. This philosophy dictates that a department shall carry out this function with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

Since there will not be a County Purchase Order number assigned to these purchases, the ability of the Finance Department to facilitate the processing of invoices or problem resolution associated with these purchases is greatly diminished. In order to ensure expeditious processing of invoices or problem resolution, it is essential that the Building Authority informs the vendor that it is critical that the following information be clearly and accurately identified on the face of the invoice:

1. Name of the person who placed the order.
2. That the Bay County Building Authority placed the order.

3. Proper mailing address where the invoice should be mailed.

If the vendor is not willing to identify items one (1) and two (2) above on the face of the invoice, the proper mailing address should be that of the Bay County Building Authority; otherwise, the invoice can be sent to the Finance Department/Accounts Payable. Invoices sent directly to the Finance Department without the proper identification will be immediately returned to the vendor noting the Finance Department's inability to forward to the Building Authority for processing, thus delaying payment.

When the Building Authority receives invoices directly it needs only to completely fill out a Bay County Voucher or a voucher stamp impression on the invoice and forward to the Finance Department for processing. When invoices are mailed directly to the Finance Department from the vendor, which clearly identifies the Building Authority as the ordering department, the Finance Department will voucher stamp the invoice, enter the relevant information and forward the invoice to the Building Authority for account coding and authorization. The Building Authority, in turn, will send it back to the Finance Department for processing.

MINIMAL PURCHASES

(PURCHASES COSTING \$500 BUT LESS THAN \$1,000)

Any acquisition of products or services costing five hundred dollars (\$500) but less than one thousand dollars (\$1,000), the Project Manager or his/her designee shall obtain quotes and place the order directly.

- A. The Project Manager or his/her designee shall prepare and forward a faxed or emailed original, completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in Charge of Purchasing in the Finance Department for processing. The Purchase Requisition shall contain the following information:
 1. Requesting department name.
 2. Date of requisition.
 3. Prior vendor (if known).
 4. Date the product or service is needed.
 5. To whom or where the product or service is to be delivered.
 6. The proper fifteen (15) digit budget account number(s) to be charged and their current budget balance(s).
 7. Indicate if a budget adjustment is in process to accommodate the purchase.

8. Name of requesting individual.
 9. Signature of authorizing individual.
 10. The product item number, if available.
 11. Quantity.
 12. Description of products or services, as detailed as possible.
 13. Freight/shipping charges, if applicable.
- B. When the decision is made to place an order, it shall be placed according to the following:
1. Order from the master vendor list of approved vendors.
 2. Purchase all office supplies from the Board of Commissioners designated contract vendor, subject to availability.
 3. One phone or written quote is sufficient for purchases costing five hundred dollars (\$500) but less than one thousand dollars (\$1,000) or when it is determined that there is an emergency condition or there is only a sole source provider to purchase the products and/or services. In the event the Building Authority is claiming an emergency or sole source condition, the procedures identified in the exemptions section under "Large Purchases" must be adhered to. Phone quotes must be documented as to the name of company and salesperson contacted, unit price of the product and/or service requested, quantity ordered, time and date of the call and any other pertinent information.
 - a. Quotes shall be net of freight charges and exclusive of sales tax. When obtaining quotes, the vendor must be questioned concerning any freight or additional charges and these items should be identified separately on the Purchase Requisition.
 4. Obtain a Purchase Order number from the Purchasing Agent or his/her assistant and provide it to the selected vendor for inclusion on the vendor's invoice.
 - a. Vendors shall not fill an order for five hundred dollars (\$500) or greater unless they are provided a Purchase Order number.

5. Verify that the vendor can and will deliver. Some purchase situations may require that the Bay County Building Authority either pick up or arrange for special delivery of the order.
- C. Orders may be phoned or faxed to vendors.

SMALL PURCHASES

(PURCHASES COSTING \$1,000 BUT LESS THAN \$20,000)

Although Competitive Sealed Bidding is the procedure universally preferred in governmental procurement, consideration of the time and cost involved dictates that a less formal procedure be used for small purchases.

This Purchasing Policy provides that purchases, including professional services, not exceeding twenty thousand dollars (\$20,000) may be made in the open market without a formal written bid, and further provides that these purchases, when practicable, shall utilize competitive oral or written requests for quotations. All such purchases shall be made cooperatively by the Purchasing Agent in the Finance Department and the Project Manager or their designees.

The Project Manager or his/her designee shall prepare and forward a faxed or emailed original, completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in the Finance Department for processing. The Purchase Requisition shall contain the same information as outlined for "Minimal Purchases" Section A, Items 1 through 13.

In utilizing the small purchases procedures, the following shall apply:

1. Award shall be made to the vendor providing the greatest value for the cost while meeting the minimum needs of the Bay County Building Authority.
2. Requisitions shall not be artificially divided so as to constitute small purchases.
3. If the Bay County Building Authority foresees a need for products or services of a like or similar nature, costing more than twenty thousand dollars (\$20,000) in aggregate within a fiscal year, it shall arrange for Competitive Sealed Bidding, even though the products and services individually may be under the twenty thousand dollars (\$20,000) bid-threshold.
4. The Bay County Building Authority along with the Departments or Divisions with County-wide responsibility for products or services, such as the Buildings and Grounds Department for hand towels and tissues, shall combine requirements for like or similar commodities expected to be needed in the

foreseeable future (usually a fiscal year) and arrange for Competitive Sealed Bidding.

5. When previous experience indicates a reasonable expectation that combined requirements of the Building Authority and all County Departments and/or Divisions, for a product or service, will exceed the bid threshold within a fiscal year, the Purchasing Agent shall solicit requirements from all users of this product or service, and cause specifications and bid documents to be developed, and shall arrange for Competitive Sealed Bidding.
6. In order to reduce the paperwork associated with numerous small purchases, Blanket Purchase Orders shall be used whenever practicable. This determination shall be made by the Purchasing Agent after consulting with the Project Manager or his/her designee.
7. The Purchasing Agent shall be responsible for obtaining the quotations required by this procedure. In instances where it is more practicable, the Purchasing Agent may delegate the obtaining of quotes to his/her designee or to the Building Authority's Project Manager or his/her designee. This shall not absolve the Purchasing Agent from the responsibility of having proper quotes on file prior to issuing a Purchase Order, as required by this procedure, or from assuring that acceptable value is being obtained.
8. At least three (3) oral or written quotes are required, with the exception of an emergency condition or sole source provider. In the event the Building Authority is claiming an emergency or sole source condition, the procedures identified in the exemption section under Large Purchases must be adhered to. Quotations received via photo facsimile (FAX) machines shall be accepted as written quotes required by this procedure. The Purchase Order shall be placed after the receipt of the quotes.
9. On occasion, good business judgment or common sense may dictate deviations from the requirements outlined in Item 8 of this section. In this instance, the reason(s) for the deviation shall be documented by the Purchasing Agent on the Purchase Requisition and such deviations shall not violate any other requirement of the Purchasing Policy.
10. Emergency purchases shall be exempt from some of the provisions of this policy. A request and explanation of the reasons for the declaration of an emergency shall be documented by the Building Authority and forwarded to the Purchasing Agent who in turn will forward the request to the Finance Officer. The Finance Officer shall decide whether or not the request is warranted and instruct the Purchasing Agent to act accordingly. The request and explanation shall be retained in the quote file. This provision shall be used only if there is imminent danger to the health or welfare of the citizens

of the County, a threat of deterioration of a critical Building Authority functions, or a threat of a delay in the completion of a Building Authority project.

11. Documentation of a sole source provided for a required product and/or service shall be retained in the quote file by the Purchasing Agent.
12. The Project Manager assisted by the Purchasing Agent, or their designees, shall have the responsibility for selection of the vendor.
13. Information regarding quotes can be found:
 - a. In the quote file kept by the Purchasing Agent; and/or
 - b. Attached to the back of the Purchase Requisition/Order.

LARGE PURCHASES

COMPETITIVE SEALED BIDS

(PURCHASES COSTING \$20,000 OR MORE)

Competitive Sealed Bids shall be solicited for products or services that meet one of the following requirements:

- The product or service being procured has an individual cost of twenty thousand dollars (\$20,000) or more.
- When the requirements of the Building Authority, or the combined requirements of the Building Authority and all County Departments and/or Divisions, for the products or services of a like or similar nature has an aggregate cost of twenty thousand dollars (\$20,000) or more within a fiscal year.

The following section outlines the exemptions, elements, processes, and procedures for competitive sealed bids.

A. EXEMPTIONS

The Bay County Building Authority's Purchasing Policy provides that no procurement of products or services equal to or over twenty thousand dollars (\$20,000) shall be made without soliciting competitive sealed bids, except:

1. When cooperative purchases with other public entities are made.

2. When contracts of other local units of government or other public entities are used, if the Contractor extends the identical terms and conditions to the County, provided that the contract has been awarded through procedures substantially similar to those required by the Bay Building Authority's Purchasing Policy.
3. When there is only a sole source for the required products or services.
4. In the event of the existence of an emergency procurement condition.
5. In the procurement of architectural, engineering, legal, landscape architectural, or land surveying services.
6. In the procurement of services of an independent Certified Public Accountant selected to audit the Building Authority's books/operations.
7. In the procurement of consultant, advisor, or other professional services as identified by the Bay County Building Authority.

By exempting the procurement of products or services in an emergency (Item No. 4) and entering into contracts for professional services (Item Nos. 5, 6, and 7) allows the Bay County Building Authority to remain in compliance with Public Act 167 and 168 of 1993.

In the event the Building Authority requests an exemption from soliciting competitive sealed bids for the procurement of products or services for reasons of a sole source supplier or an emergency condition, the following shall occur:

1. The Building Authority shall submit to the Purchasing Agent in the Finance Department a Purchase Requisition which shall contain, in addition to the same information as outlined for "Minimal Purchases," Section A, Items 1 through 13, an attestation signed by the Project Manager that the named vendor on the Purchase Requisition is the sole supplier of the requested product or service or; in the case of an emergency procurement condition, that the existing condition is causing an emergency situation and identify the consequences that will occur if the product or service is not purchased posthaste.
2. The Purchasing Agent, upon receipt of the Purchase Requisition and after discussion with the Project Manager, shall either initial and date his affirmation of the Project Manager's attestation or indicate in a signed and dated statement on the Purchase Requisition his/her reasons for disagreement.

3. The Purchase Requisition is then forwarded to the Finance Officer for consideration and final decision.
4. In a situation that required the Project Manager to make an emergency procurement(s), the above items one (1) through three (3) shall still occur, although after the fact, within two (2) business days of the emergency condition.

B. REQUEST FOR INVITATION TO BID

When the Building Authority requests products or services that require competitive sealed bids be solicited shall present the request to the Purchasing Agent, which includes the following:

1. A brief description of the goods and/or services to be bid.
2. Source of funding for the expenditure (budget, grant, etc.).
3. The activity and account number to which the expenditure is to be charged.
4. Specifications for the equipment and/or service.
5. Specific requirements that shall be adhered to by each bidder.
6. Other pertinent information.

C. REVIEW OF BID PRIOR TO PUBLIC RELEASE

The Purchasing Agent shall request any additional information from the Building Authority and shall submit a draft of the Request for Proposal to the Project Manager, the Finance Officer, and Corporation Counsel for their review and final approval.

D. BID PACKAGE PREPARATION

After the draft of the Request for Proposal is approved by the Project Manager, the Finance Officer, and Corporation Counsel, a final formal Request for Proposal shall be prepared by the Purchasing Agent, in conjunction with the Project Manager or his/her designee. The Request for Proposal shall include:

1. Invitation to Bid
2. Specifications
3. Requirements of Bidders

4. General Conditions
5. ADA Assistance
6. Applicable Bid Forms

E. BID PACKAGE DISTRIBUTION AND PUBLIC NOTICE

The Purchasing Agent, the Project Manager, or their designees will distribute the Request for Proposal to all applicable vendors who are included on the County's Vendor Master File. The Purchasing Agent shall publish in The Bay City Times, and any other pertinent publication, a notice inviting sealed competitive bids, for at least two days, preferably in a Sunday and/or Saturday publication for one or two weekends. There shall be an interval of at least five (5) days between the date of the final notice and the bid opening. The notice shall include the following, when applicable:

1. Brief description of the product(s) or service(s) to be bid.
2. Place where bid documents, including specifications are available.
3. Request for Proposal Identification Number.
4. Cost, if any, of bid documents.
5. Date and time the bids are due.
6. All walk through(s) and/or pre-bidders conference(s) as determined by the Purchasing Agent and the Project Manager, or their designees.
7. Telecommunication Device for the Deaf (TDD) information and an Americans with Disabilities Act (ADA) statement that auxiliary aids and services are available upon request.

In addition to the public notice, the Purchasing Agent shall notify all vendors who have indicated an interest in furnishing the requested products and/or services to the County Building Authority.

In the event that the original Request for Proposal needs to be amended, an addendum will be mailed and/or faxed to all vendors who previously received a copy of the original Request for Proposal by the Purchasing Agent.

F. WALK THROUGHS AND PRE-BID/PROPOSAL CONFERENCES

When it has been determined that a walk through or pre-bid/proposal conference is necessary, the Purchasing Agent or his/her designee shall include language within the Request for Proposal identifying the following:

1. The date, time, and location of the walk through or pre-bid/proposal conference.
2. Whether or not potential bidders/proposers attendance is mandatory.
3. That potential bidders/proposers will not be compensated for their attendance.
4. That written and verbal questions will be accepted and addressed, with the Bay County Building Authority's preference that as many questions as possible be in writing in advance of the date of the walk through or pre-bidders proposal/conference.

If attendance by potential bidders/proposers is mandatory and a prospective bidder or proposer does not attend but does submit a bid or proposal, said bid or proposal shall be disqualified and returned unopened accompanied by a memo explaining why the bid or proposal was returned and not considered for award.

All potential bidders or proposers shall sign-in at the location of either the walk through or pre-bidders/proposal conference and provide all the information requested on the sign-in form provided by the Purchasing Agent, or his/her designee.

G. BID SUBMISSION AND OPENING

Sealed bids are to be received and retained by the Purchasing Agent in the Finance Department until the date and time for the bid opening as specified in the Public Notice/Request for Proposal. The sealed bid envelope shall be marked with a date stamp identifying the date (month/day/year) the bid was received in the Finance Department. The time of the day the sealed bid envelope arrived, if not automatically imprinted, will be manually written on the lines provided by the date stamp and initialed by the employee of the Finance Department who received the bid. Sealed bids are also accepted in person at the location of the bid opening up until the time specified by the Public Notice/Request for Proposal.

Bids received after the date and time specified in the Public Notice/Request for Proposal shall be disqualified and returned unopened accompanied by a memo explaining why the Request for Proposal was returned and not considered for award. After receipt in the Finance Department, bids may be withdrawn up to the scheduled time for opening upon presentation of proper identification, as determined by the Purchasing Agent, or his/her designee. A formal written request for withdrawal must be made to the Purchasing Agent who shall file the request in the Request for

Proposal file. Bids shall be opened promptly at the time designated in the Public Notice/Request for Proposal by the Purchasing Agent or any other individual as designated by the Bay County Building Authority. The Purchasing Agent, his/her designee, or the designee of the Building Authority shall open and review the bid(s) and reads aloud the name of the bidder(s), the amount of the bid(s), and any other pertinent information contained in or omitted from the bid(s). The Purchasing Agent, or his/her designee, or the designee of the Building Authority shall initial and date each bid after he/she has reviewed it and proceed to forward it to all individuals present at the bid opening for them to review, initial, and date. The proceedings are recorded by the Purchasing Agent or some other designated individual.

Bidders and the public are encouraged to attend bid openings, and may examine the bid documents after all bids have been opened.

H. EVALUATION OF BIDS AND RECOMMENDATION OF SUCCESSFUL BIDDER

Following the bid opening, the Purchasing Agent presents the results of the bid opening to the architect, engineer, consultant, or other qualified individual(s) chosen by the Building Authority to evaluate each bid. The results of the evaluation will then be presented to the Project Manager by the architect, engineer, consultant, or other qualified individual(s) chosen by the Building Authority with an analysis identifying the best low/high qualified bidder and a recommendation as to which bidder to award the bid. The term "low/high qualified bidder" means a bidder whose bid conforms in all material respects to the Request for Proposal, who has the capability in all respects to perform the requirements, and who by its integrity and reliability gives reasonable assurance of good faith performance for the financial benefit of the County Building Authority.

In determining the lowest/highest qualified bidder, the architect, engineer, consultant, Project Manager, or other qualified individual(s) chosen by the Building Authority, or their designee may, after the bid opening, enter into discussions with any responsible bidder who submitted a proposal which is determined to be reasonably susceptible of being awarded the bid, to obtain additional information regarding the bidders ability to perform or to clarify a bidders proposal to assure the architect, engineer, consultant, the Project Manager, or other qualified individual chosen by the Building Authority, or their designee, that the bidder(s) has a full understanding of and can conform to the requirements of the Request for Proposal. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted, after the bid opening and prior to awarding, for the purpose of obtaining best and final offers. In conducting the discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders.

No bidder is permitted to alter the dollars bid after the opening.

A voluntary or negotiated reduction/increase in price from lowest/highest qualified bidder can be accepted after the opening of the bid, provided such reduction/increase does not result in the modification or deletion of any conditions or specifications contained in the bid documents.

I. BID AWARD

1. The bid shall be awarded directly to the successful bidder by the Bay County Finance Officer upon the following criteria being met:
 - a. The product or service for which the Request for Proposal was written is included and funded in the current years adopted/amended budget.
 - b. The lowest/highest qualified bid received by the County, for which the bid will be awarded, is either equal to or less/greater than the amount budgeted for this procurement/sale in the current year adopted/amended budget.
 - c. Utilizing the Notice of Intent to Award form, the Finance Officer shall notify the Bay County Board of Commissioners, the Bay County Executive, the Bay County Building Authority, and all bidders of his/her intent to award the bid to the lowest/highest qualified bidder on the eleventh (11th) working day from the date of notice. Said notice shall include the names and addresses of all bidders, their respective bid(s), reason(s) for disqualifying certain bidders and for awarding the bid to a bidder other than the lowest/highest qualified bidder.
 - d. If concerns or opposition from the Board of Commissioners, the County Executive, and/or the Building Authority, inclusive of an unresolved bid protest being filed by a bidder in accordance with the procedures outlined in Section I, to the Intent to Award arise within ten (10) working days from the date of the Notice of Intent to Award, said concerns or opposition shall be communicated to the Finance Officer in writing and the Finance Officer shall be precluded from awarding the bid and shall follow the procedures outlined in Subsection (2) immediately below.
2. If the bid cannot be directly awarded to the successful bidder by the Bay County Finance Officer because the criteria in Subsection (1), immediately above, could not be met, then:
 - a. The recommendation to the Finance Officer from the Purchasing Agent and the Project Manager is forwarded by the Finance Officer to the Bay County Building Authority for their consideration and action.

- b. Utilizing the Notice of Recommendation, the Finance Officer shall notify all bidders, as soon as it is practical, of his recommendation to the Bay County Building Authority.
- c. If a Bid Protest form has been filed by a bidder in accordance with the procedures outlined in Section L relative to the Notice of Recommendation within the time allotted for such filing, the Finance Officer shall communicate such protest to the Bay County Building Authority prior to their action on his/her recommendation. The Building Authority must then decide, after reviewing the Bid Protest and listening to the testimony of the Finance Officer and the protesting bidders, whether:
 1. To accept the recommendation of the Finance Officer and follow Subsection 2 (a) above and Section L (4), or
 2. To take no action on the Finance Officer's recommendation and follow Section L (4).
3. The Staff Accountant in Charge of Purchasing or his/her designee shall notify all bidders of the final action taken by the Finance Officer or the Building Authority by preparing and mailing to them a Notice of Bid Action. For informational purposes only, a copy of the Notice of Bid Action shall be placed on the agenda of the next Building Authority meeting. In addition to the Notice of Bid Action being mailed, the Purchasing Agent shall also execute or facilitate the execution of the documents described below in Subsection 4.
4. The execution of the Notice of Bid Action is made by the Purchasing Agent, or his/her designee, to the lowest/highest qualified bidder through one of two procedures:
 - a. By facilitating the execution of a formal contract between Bay County Building Authority and the successful bidder, supported by a performance and payment bond, if required, when periodic payments are made for work performed pursuant to a Contract and prior to completion of all the work, (e.g., construction work); or
 - b. By issuing a Bay County Purchase Order.

J. LOW TIE BIDS

At the discretion of the Building Authority, award shall be made in any permissible manner that will discourage tie bids. If no permissible method will be effective in discouraging tie bids, then the award shall be made by drawing lots.

K. EXTENSION OF DATES

As a result of extenuating circumstances, it may be necessary for the Building Authority to either extend the date which bids are due to be received by the Building Authority or the date to which all bids are to be valid. In either case, it shall be the responsibility of the Purchasing Agent or his/her designee to inform all parties concerned, via oral and written communications, of the Building Authority's intent on extending the relevant date, inclusive of any other pertinent date(s) that will change, along with the reasons for the extension.

If the date which the bids were to be received has been extended, along with all the other pertinent dates, the dates identified in Subsection G. of this section, "Bid Submission and Opening," shall be those identified in the above stated communication.

If the date to which all bids were to be valid needs to be extended, all bidders will have the right to withdraw their bid from consideration. A formal written request for withdrawal must be made to the Purchasing Agent, who shall file said request in the Request for Proposal file.

L. BID PROTEST PROCEDURE

The following process will be used to allow bidders to officially lodge a protest regarding the bid process:

1. Bidders must obtain and complete a Bid Protest form identifying the substance and reason for the protest. The Bid Protest form can be obtained from the Purchasing Agent in the Bay County Finance Department or his/her designee.
2. The bidder must file the protest within ten (10) working days from the date of the Notice of Intent by submitting the completed form to the Purchasing Agent or his/her designee.
3. The bidder must file the protest the earlier of the day prior to the Bay County Building Authority meeting, or within ten (10) working days from the date of the Notice of Recommendation by submitting the completed form to the Staff Accountant in Charge of Purchasing or his/her designee. The protesting bidder(s) may address the Bay County Building Authority at the meeting where the Authority will consider the recommendation of the Finance Officer.
4. Within seven (7) working days of the filing of the bid protest form, the Finance Officer, after consultation with the Staff Accountant in Charge of Purchasing, shall prepare and send, via certified mail through the U.S. Postal Service, a response to the bid protest filed under either Subsection (2) or (3) of this section.
5. If not satisfied with the response of the Finance Officer regarding the bid protest filed under Subsection (2) of this section, the bidder(s) may address

the Building Authority by requesting the Finance Officer place their protest on the agenda of their next scheduled meeting. Said request must be in writing and received by the Finance Officer or postmarked within seven (7) working days from the date of response to the protestor. The protestor must clearly identify on the envelope "**BID PROTEST.**"

M. CANCELLATION OF INVITATIONS/REQUESTS FOR OR REJECTION OF QUOTES/BIDS/PROPOSALS

An Invitation for Quotes/Bids, a Request for Proposal, or any other solicitation may be canceled, or any or all bids, quotes, or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for a good cause and in the best interest of the Bay County Building Authority. The reason(s) for the cancellation or rejection shall be made part of the specific procurement file. Each solicitation issued by the Bay County Building Authority shall state that the solicitation may be canceled and that any quote, bid, or proposal may be rejected in whole or part for good cause when in the best interests of the Bay County Building Authority. A Notice of Cancellation shall be sent to all vendors solicited. The notice shall identify the solicitation, provide the reason(s) for cancellation, and, when appropriate, identify that an opportunity will be given to all vendors to resubmit a quote, bid, or proposal, on any resolicitations or any future solicitations of similar items. A Notice of Rejection shall be sent to all bidders or offerors whose bids(s), quotes(s), or proposal(s) were rejected enumerating the reasons for rejection.

SELECTION PROCESS FOR ATTORNEYS' SERVICES

A. MANDATORY TERMS AND CONDITIONS FOR ENGAGING PRIVATE ATTORNEYS:

1. Fees and Costs: Any private attorneys, prior to retention by the Building Authority for civil legal services, shall agree to the following fee and cost requirements:
 - a. Grant the Building Authority and discount attorney currently grants to other municipal entities or provide rationale for waiving discount for Building Authority.
 - b. Agree in writing to the hourly rate negotiated with the Building Authority for the representation.
 - c. Notify the Building Authority prior to retention of any customary out-of-pocket rates to be charged. The Building Authority will reimburse reasonable rates for the following, if specified in advance:
 - Postage, court fees, and reasonable copy costs may be charged.

- Travel costs may be charged, subject to applicable section of the Bay County Travel Policy.
 - Electronic or other extraordinary costs of specialized research sites.
- d. Provide periodic progress reports as a condition of payment.
 - e. Submit invoices for services monthly. Invoices shall be itemized except for detail subject to the attorney-client privilege. The minimum billing increment shall be .1 hour. The Building Authority shall not pay hourly rates billed for clerical services.
 - f. Refrain from billing Building Authority for retention of other professionals unless receiving advance written authorization from liaison.
2. Liaison's Obligations: The Project Manager, unless other individuals are appointed by the Building Authority, shall serve as "Liaison" to private attorneys retained for Building Authority projects and the Liaison shall:
- a. Initiate and participate in the Qualifications-based Selection Process for all engagements where attorney services needed are likely to exceed \$20,000 in legal fees.
 - b. Liaison may use appropriately budgeted funds to retain attorneys for assignments where services needed are unlikely to exceed \$20,000 in legal fees. In such instances, Liaison may select counsel to perform these limited tasks on behalf of the Building Authority, based upon qualifications and negotiated rates. Such project attorneys shall be recruited through continual solicitations on the County website or via other media in cooperation with the County Purchasing Agent.
 - c. The Building Authority may request consultation and management of any legal project by Bay County Corporation Counsel. Corporation Counsel will timely respond to such a request after determining whether performing the service would be permitted by law, and after consulting with pertinent County officials. Such services may be provided at expense of the Building Authority.
 - d. Before services are performed, Liaison shall provide an executed retention letter with each private attorney or firm, specifying the project for which attorney(s) is/are to be retained subject to all conditions specified in this Policy, along with additional terms pertinent to the retention.
 - e. Review bills monthly with questions or issues addressed prior to payment.

- f. Specify a deadline, stages, or maximum number of hours authorized for a representation, whenever feasible.
 - g. Tailor engagements whenever possible to minimize travel costs by careful scheduling, use of video or teleconferences and similar methods.
 - h. Avoid using attorneys for non-legal work.
3. Additional Terms: The private attorney retained shall agree to the following additional terms and conditions:
- a. The attorney and associates must warrant that no conflicts of interest exist or will be accepted during this Building Authority representation except if the Building Authority is notified and voluntarily waives such conflicts.
 - b. Upon selection, the engagements shall be personal to each attorney retained and substitution or use of other qualified attorneys or legal assistants shall be approved in advance by the liaison.
 - c. The attorney or firm must identify any of its employees whose relatives are County officials or are employed by County agencies.
 - d. All original documents shall be provided for the County's files, except as otherwise required by law.

PART III

BAY COUNTY HOUSING DEPARTMENT CENTER RIDGE ARMS PURCHASING POLICY

PREFACE

The most common and simplistic definition of purchasing is buying and everyone knows what buying involves. However, governmental purchasing, whether at the local, state, or federal level, is very different and far more complex than buying that occurs in the private sector. Unlike everyday consumer buying, governmental purchasing involves the expenditure of taxpayers' money to obtain products and services that the government will use to deliver public services. The legal requirements of governmental purchasing complicate the seemingly simple task of procuring needed products and services. As a result, this critical support function has evolved into a highly controlled and accountable process that is governed by a myriad of laws and ordinances, rules and regulations, judicial and administrative decisions, and procedures and practices.

The following policy identifies the various policies and procedures generally accepted throughout government and tailored to the Bay County Housing Department's specific needs in the procurement of its products and services. It has been established for the Bay County Housing Department by the Board of Commissioners effective on August 10, 2004.

PURPOSE

The purpose of this Policy is to provide for the fair and equitable treatment of all persons or firms involved in public purchasing by the Bay County Housing Department, to maximize the purchasing value of public funds in procurement, to provide safeguards for maintaining a procurement system of quality and integrity, to inform and provide guidance to all individuals involved in public purchasing regarding the application of the policies and procedures to be adhered to in the procurement of products and services, and to ensure that expenditures are incurred and recorded timely in compliance with the annual budget as adopted by the Bay County Board of Commissioners via their General Appropriation Budget Act Resolution and any amendments to the annual budget as approved by the Bay County Board of Commissioners. And to assure that the Housing Department's purchasing actions are in full compliance with applicable Federal Standards, HUD regulations, and State and Local Laws.

APPLICATION

- This Policy applies to contracts for the procurement of supplies, services, and construction entered into by the Bay County Housing Department after the effective date of this Policy. It shall apply to every expenditure of public funds by the Housing Department for purchasing irrespective of its source. When the procurement involves the expenditure of Federal or State assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory Federal or State law and regulations which are not reflected in this Policy. Nothing in this Policy shall prevent the Housing Department from complying with the terms and conditions of any grant, gift, or bequest which are otherwise consistent with law.

PUBLIC ACCESS TO PROCUREMENT INFORMATION

Procurement information shall be a public record to the extent provided in the Michigan Freedom of Information Act (MCL 15.231 et. seq.), as amended, and shall be available to the public as provided in said statute.

CENTRALIZED PURCHASING

Purchasing shall be centralized within the Finance Department as per the resolve of the Board of Commissioners in compliance with the optional Unified Form of County Government Act which states in MCL 45.563:

"THE DEPARTMENT OF FINANCE SHALL supervise the execution of the annual county budget and maintain expenditure control; perform all central accounting functions; collect monies owing to the county not particularly within the jurisdiction of the county treasurer; PURCHASE SUPPLIES AND EQUIPMENT REQUIRED BY COUNTY DEPARTMENTS; and perform all

investment, borrowing, and debt management functions except as done by the county treasurer.” (emphasis added)

In accordance with this Policy and under the direct supervision of the Finance Officer, the Purchasing Agent or his/her designee shall serve as the Bay County Housing Department’s principal public purchasing official for the procurement of supplies, services, equipment, and construction needed by, as well as the disposal, by way of selling via competitive bids, trading, auctioning, or scrapping of surplus supplies and equipment belonging to the Bay County Housing Department.

Consistent with this Policy and with the approval of the Finance Officer , the Bay County Purchasing Agent responsible for the Housing Department’s purchasing functions may adopt operational procedures relating to the execution of his/her duties and may delegate authority to purchase certain supplies, services, equipment, or construction items to other Bay County Housing Department officials, if such delegation is deemed necessary for the effective and efficient procurement of those items.

PROCUREMENT SPECIFICATIONS

A. GENERAL

All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the Housing Department’s needs. Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out Procurement to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

B. LIMITATIONS

The following specification limitations shall be avoided; geographic restrictions not mandated or encouraged by applicable Federal law (except for architect-engineer contracts which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirements; brand name specifications (unless a written determination is made that only the identified item will satisfy the Housing Department’s needs); brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this procurement policy shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of the Housing Department’s

computer needs and then allowing that consultant to compete for the subsequent contract for the computers), except as permitted by law.

ETHICS IN PUBLIC PROCUREMENT

All County employees and officers (public servants) shall conduct themselves in conformity with the contracts of Public Servants with Public Entities Act, (MCL 15.321 et. seq.) as amended. This Act establishes standards in respect to governmental decisions and conflicts of interest arising out of the solicitation, negotiation, or approval of contracts between public servants and public entities such as the County.

I. ETHICAL STANDARDS OF CONDUCT

A. CONFLICT OF INTEREST

1. It shall be unethical for any employee or officer of the Bay County Housing Department to participate directly or indirectly in a procurement where the employee or officer knows that:
 - a. The employee or officer or any member of the employee's or officer's immediate family has a financial interest pertaining to the procurement; or
 - b. Any other person, business, or organization with whom the employee or officer, or any member of an employee's or officer's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
2. It shall be unethical for, and this Policy prohibits, any employee or officer of the Bay County Housing Department from acting as a vendor of the Bay County Housing Department . This prohibition shall not apply to part-time Bay County Housing Department employees who are paid for working an average of twenty-five (25) hours or less per week pursuant to MCL 15.323.
3. It shall be unethical for any current employee or officer of the Bay County Housing Department who is participating directly or indirectly in the procurement process to be or become employed by any person or firm contracting with the Bay County Housing Department.
4. It shall be unethical for any current employee or officer of the Bay County Housing Department to use a County Purchase Order or their County influence to obtain goods or services for themselves or others at Bay County Housing Department prices or at a discount which could not otherwise be obtained.

B. CONFIDENTIAL INFORMATION AND COLLUSION

1. Confidential Information. It shall be unethical for any employee, officer, former employee, or former officer to knowingly use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person.
2. Collusion. It shall be unethical for two (2) or more vendors, suppliers or bidders to collude with the intent to defraud the Bay County Housing Department by submitting prices, quotes, or bids that are identical or nearly identical or submitting prices, quotes, or bids that will favor one or more vendors, suppliers, or bidders.
 - a. When for any reason collusion or other anti-competitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the Bay County Corporation Counsel.

II. ADMINISTRATIVE SANCTIONS

A. EMPLOYEES/OFFICERS

1. The Bay County Board of Commissioners or County Executive may impose on a County employee or officer, for any violations of the ethical standards of conduct set forth in this section, any one or more of the following administrative sanctions as allowed for in the applicable labor agreement, personnel policy, or State statute.
 - a. Oral or written warnings or reprimands;
 - b. Suspension from work, with or without pay, for specified periods of time; or
 - c. Termination of employment.
2. Disallowed Expenditures. Michigan Statutes prohibit officers or employees from using funds under the officer's or employee's official care for personal gain or benefit. Therefore, Bay County Housing Department officials and employees are prohibited from expending County Funds for flowers, plants, fruit baskets, expressions of sympathy, etc. except as authorized under Michigan law. The Finance Department will disallow expenditures made in violation of this policy.

B. NON-EMPLOYEES

1. The Bay County Board of Commissioners or County Executive may impose on a non-employee for any violation of the ethical standards of conduct

set forth in this section, any one or more of the following administrative sanctions:

- a. Written warnings or reprimands;
- b. Termination of contracts, or;
- c. Debarment or suspension from conducting business with the County for specified periods of time.

III. CRIMINAL PENALTIES

To the extent that violations of the ethical standards of conduct set forth in this section constitute violations of the State Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to the administrative sanctions set forth in this section and/or any civil sanctions.

IV. RECOVERY OF VALUE

The value of anything transferred or received as the result of a violation of any of the ethical standards of conduct set forth in this section by any employee or non-employee shall be recovered from said employee or non-employee.

DEBARMENT OR SUSPENSION

AUTHORITY TO DEBAR OR SUSPEND. After reasonable notice to the person(s) involved and reasonable opportunity for that person to be heard, the Finance Officer, after consulting with, the County's Corporation Counsel and Purchasing Agent, is authorized to debar a person, for cause, from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years. After consultation with the County's Corporation Counsel and Purchasing Agent the Finance Officer is authorized to suspend the person(s) from consideration for award of contracts if there is a probable cause to believe that the person(s) has engaged in any activity which might lead to debarment. The suspension shall not be for a period exceeding three (3) months. The causes for debarment include:

- 1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
- 2. Conviction under state and federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects his/her/their responsibility as a County contractor;

3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
4. Violation of contract provisions, as set forth below, of a character which is regarded by the Finance Officer to be so serious as to justify debarment action:
 - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contracts; or
 - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
5. Any other cause the Finance Officer determines to be so serious and compelling as to affect his/her/their responsibility as a County contractor, including debarment by another governmental entity for any cause listed in this policy; and
6. For violation of the ethical standards set forth in the ETHICS IN PUBLIC PROCUREMENT section of this policy.
7. For non-compliance with Housing and Urban Development (HUD) regulations (24 CFR Part 24) or by other Federal agencies.

The Finance Officer shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken and inform the debarred or suspended person(s) involved of their rights concerning judicial or administrative review. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person(s), the Bay County Board of Commissioners, and the Bay County Executive.

A decision to debar or suspend shall be final and conclusive unless fraudulent, or the debarred or suspended person(s), within ten (10) days after receipt of the decision, submits a written appeal to the Bay County Board of Commissioners for review and final determination or commences a timely action in court in accordance with applicable law.

DISCRIMINATION

Any individual or business entity providing goods and/or services to the Bay County Housing Department shall be required to comply with current provisions of the Americans with Disabilities Act (ADA) (the Equal Opportunity Act for Individuals with Disabilities 42 USC 12101 et. seq.), Equal Employment Opportunities (42 USC 2000e), Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), the Elliot-Larsen Civil Rights Act (MCL 37.1201 et. seq.), and the Michigan Persons with Disabilities Civil Rights Act (MCL 37.1101 et. seq.). Such individual or business entity shall not discriminate against any individual with respect to hire, tenure, terms, conditions or privileges of employment because of a

handicap that is unrelated to the individual's ability to perform the duties of a particular job position, or because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant shall be regarded as a material breach of any transaction or agreement between the Bay County Housing Department and the individual or business entity. The County shall vigorously enforce this covenant through use of sanctions available within the Bay County Purchasing Policy or legal action.

QUALIFICATIONS-BASED SELECTION

Qualifications-Based Selection (QBS) has received national and state attention in the public sector through legislation for many years. In 1972, the federal government enacted Public Law 92-582 (The Brooks Selection Bill) covering the selection of architects and engineers based on qualifications. In 1987, the Michigan Legislature passed House Concurrent Resolution #206 which provided a documented understanding of the process. Qualifications-Based Selection which is a fair and rational procedure that facilitates the selection of a design professional on a basis of qualifications and competence in relation to the scope and needs of a particular project, shall be used for obtaining architectural, engineering, land surveying, and other related professional design services on the Bay County Housing Department public projects. The QBS process, as outlined in the publication, Qualifications-Based Selection of Design Professionals by Qualifications-Based Selections, Inc., or a modified version thereof suitable to the project being undertaken will include all or some of the following steps:

1. The Bay County Housing Department identifies the general scope of the work.
2. A selection schedule is established.
3. A list of design professional firms is developed.
4. Qualification documents are requested.
5. Qualification documents are evaluated.
6. A short list of firms to be interviewed is composed.
7. Interviews are conducted.
8. Firms are ranked for selection.
9. A contract is negotiated with the top ranked firm.
 - a. If an agreement cannot be reached, those negotiations are ended and negotiations are begun with the second ranked firm, and so on down the line, until agreement is reached and a firm selected.

10. All firms involved receive post-selection communications.

Qualifications-Based Selection may be used for the selection of other, non-federally funded, professional services as deemed appropriate by the Bay County Housing Department or the Project Manager. These other, non-federally funded, professional services shall include, but are not limited to, the following:

1. Financial Advisors.
2. Construction Managers.
3. Attorneys/Bond Counsel.
4. Underwriters.
5. Auditors - Certified Public Accountants.
6. Third Party Administrators.
7. Environmental and Geotechnical Services
8. Architects.
9. Consultants.
10. Surveyors.
11. Engineers.
12. Appraisers.

When deemed appropriate to utilize the QBS process in the selection of professional services, this process shall be carried out through the establishment of a QBS Committee. This Committee will be charged with the responsibility of implementing the QBS process at a level commensurate to the project at hand and to provide a recommendation to the Bay County Board of Commissioners. The composition of the QBS Committee shall consist of the following individuals:

1. Purchasing Agent
2. Director of Housing
3. Corporation Counsel
4. Finance Office

5. Any other individual who could provide valuable input and be beneficial to the selection process as identified by the three (3) previous named individuals, such as the Director of Administrative Services, etc.

SALES TAX EXEMPTION

The Bay County Housing Department shall not be charged or pay sales tax. Bay County, as a Michigan governmental entity, is exempt from sales tax per Act 167 of Public Acts established in 1933. Per Section 4 of the General Sales Tax Act, MCL 205.54(h); MSA 7.524(5), and Michigan Sales and Use Tax Rule, 1979 AC, R205.79 provide that sales to the United States government, the State of Michigan, and their political subdivisions, departments and institutions are not taxable when ordered on a Purchase Order and paid for by warrant on government funds. In the alternative, the government may claim exemption at the time of purchase by providing the seller with a signed statement to the effect that the purchaser is a governmental entity. This position was affirmed by the Michigan Department of Treasury through its Revenue Administrative Bulletin 1990-32, approved on October 11, 1990.

Under the above referenced documents, the State of Michigan maintains that Bay County is not required to have a sales tax exemption number and that unless a purchase is paid for by warrant on governmental funds (with a Bay County check), the seller does not have to exempt the sale. The issuance of a Bay County Purchase Order or a Michigan Sales Tax Exemption Certificate does not, by itself, mandate the seller to exempt the sale. Therefore, the Bay County Housing Department shall utilize Bay County's Purchase Order and accounts payable system to the fullest extent possible when purchasing and paying for tangible personal property while still adhering to the other provisions within this Purchasing Policy.

VENDOR MASTER FILE AND LOG BOOK

A. VENDOR MASTER FILE

A Vendor Master File shall be maintained by the Finance Department that will serve as its source document to be used by all responsible employees and officials in the procurement process. The Finance Department will annually advertise in local newspaper to solicit vendors interested in transacting business with Bay County. Those vendors interested in being placed on the Vendor Master File must complete and file a standard questionnaire, developed by the Purchasing Agent. In addition to newspaper advertisements, the Finance Department will develop and maintain the Vendor Master File by reviewing the Doing Business As (DBA's) filings with the County Clerk, through solicitations from various trade and professional publications and associations, vendor representatives, product conferences, by annually mailing requests for updated information from current vendors, and recommendations from Elected Officials and Division/Department Heads.

B. VENDOR LOG BOOK

A Vendor Log Book shall be maintained by the Finance Department to record all vendor visits to the Purchasing Agent or his/her designee. All vendors are required to sign-in when making sales calls. The sign-in sheets must be completely filled in as to Company Name, Representative's Name, Date and Time, Person Visited and Product/Service Selling. This sign-in pertains to all vendors who visit the Finance Department for sales calls, bid openings, and vendor meetings.

LOCAL VENDORS

The purchasing profession does not advocate providing local vendors preferential treatment in the awarding of bids, contracts, or Purchase Orders. Therefore, in order to preserve the integrity of the Bay County Housing Department's procurement system, and to promote fair and pure competition for Bay County's business, local vendors shall not be provided a preferential status in the procurement of goods or services for the Bay County Housing Department; however, when vendor submissions are equal, supplies offered by vendors who have an established local business in the County shall have preference.

MINORITY/WOMEN BUSINESSES

When required, pursuant to the federal Office of Management and Budget Circular 102, Grants and Cooperative Agreements with State and Local Government, the Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, the State of Michigan, Public Act 428 of 1980, and the HUD Act of 1968 Section 3 affirmative steps will be implemented to seek out, solicit and use small and minority-owned firms, women's business enterprises, labor surplus area businesses and individuals or firms located in or owned in substantial part by persons residing in the area of a Housing Department Project when possible when purchasing goods or services with federal funds.

SOLE SOURCE PROCUREMENT

A contract may be awarded without competition when the Purchasing Agent or his/her designee determines, in writing, after conducting a good faith review of available resources, and upon the concurrence of the Finance Officer, that there is only one source for the requested product or service. The Purchasing Agent shall conduct negotiations, as appropriate, as to price, delivery, and terms. A record of sole source Procurement shall be maintained as a public record that lists each vendor's name, the amount and type of each purchase, and a listing of the item(s) procured from each vendor.

EMERGENCY PROCUREMENT

Notwithstanding any other provision of this policy, when there exists a threat to the public's health, welfare, safety, or a threat of deterioration of a critical departmental service the Purchasing Agent or his/her designee, upon the concurrence of the Finance Officer, may make emergency procurement of products or services; or in a circumstance when an emergency condition arises during a time, e.g., after regular business hours, when the procedures outlined in the exemption section under "Large Purchases" are not practicable, the Director of Housing may procure only those products or services minimally required to alleviate the emergency condition provided that such emergency Procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of a particular vendor shall be included in/on the procurement file/paperwork. As soon as it is practicable, a record of each emergency procurement shall be made and it shall set forth the vendor's name, the amount and type of each purchase, a listing of the item(s) procured from each vendor.

CAPITAL ASSET TAGS

It shall be the responsibility of the Finance Department to assign a permanent, prenumbered Bay County asset tag to any item purchased deemed by them to be an item necessary to be inventoried and controlled. The asset tag shall be assigned at the time the purchase is made and shall be noted on the Purchase Order. The asset tag shall be sent to the Housing Department along with the Housing Department's copy of the Purchase Order. It shall be the Director of Housing's responsibility to attach the asset tag to the asset.

LABOR-MANAGEMENT COOPERATION AGREEMENTS/PREVAILING WAGES

Unless prohibited by law, the Bay County Board of Commissioners may designate projects for which a prevailing wage standard or labor-management cooperation agreement shall be advantageous to the Housing Department and shall be employed.

METHODS OF CONSTRUCTION MANAGEMENT

The selection of an appropriate method to manage a construction project should depend on factors such as: the method of the construction to be procured, the uncertainties which may be involved in the construction; and the extent to which the Bay County Housing Department or the Contractor is to assume the risk of the cost of performance of the construction contract. The various methods differ in the degree of responsibility assumed by the contractor.

The objective when selecting an appropriate method to manage a construction project is to obtain the best value in the needed construction, in the time required, and at the lowest cost to the County. In order to achieve this objective, the Housing Department before choosing a construction method, should review those elements of each alternative method which directly affect the cost, time, risk, and profit incentives bearing on the performance.

Among the factors to be considered are:

1. The type and complexity of the construction;
2. The difficulty of estimating performance costs such as the inability of the Housing Department to develop definite specifications, to identify the risks to the contractor inherent in the nature of the work to be performed, or to establish clearly the requirements of the project;
3. The amount and type of financing available;
4. The administrative costs to both parties;
5. The degree to which the Housing Department must provide technical coordination during the construction project and a realistic appraisal of the availability, qualifications, and experience that Housing Department personnel can bring to the project;
6. The availability of outside consultants;
7. The effect of the choice of the method of management of the construction project on the amount of competition to be expected;
8. The stability of material prices or wage levels;
9. The urgency of the construction;
10. The length of construction;
11. The size, scope, complexity, and economics of the project;
12. The location of the project and whether a contractor's site may be used;
13. The results achieved on similar projects in the past and the methods used; and
14. The extent to which the Housing Department's requirements and the ways in which they are to be met are known.

The following are the most common methods of construction management which are not all mutually exclusive and may be combined on one project:

1. SINGLE PRIME CONTRACTOR. The single prime contractor method of contracting is typified by one business, a General Contractor, contracting with the County/Housing Department to timely complete an entire construction project in accordance with plans and specifications provided by the County /Housing Department. Often these plans and specifications are prepared by a private architectural firm under contract to the County/Housing Department. Further, while the General Contractor may take responsibility for successful completion of the project, much of the work may be performed by specialty contractors with whom the prime contractor has entered into contracts.
2. MULTIPLE PRIME CONTRACTORS. Under the multiple prime contractor method, the County/Housing Department or County's/Housing Department's Agent contracts directly with a number of specialty contractors to complete portions of the project in accordance with the County's /Housing Department plans and specifications. The County/Housing Department or its Agent may have the primary responsibility for successful completion of the entire project, or the contracts may provide that one of the multiple prime contractors has this responsibility.
3. DESIGN-BUILD OR TURNKEY. In a design-build or turnkey project, a business contracts directly with the County/Housing Department to meet the County's/Housing Department's requirements as described in a set of performance specifications by constructing a facility to its own plans and specifications. Design responsibility and construction responsibility both rest with the design-build contractor. This method can include instances where the design-build contractor supplies the site as part of the package.
4. CONSTRUCTION MANAGER. A Construction Manager is a person experienced in construction that has the ability to evaluate and to implement plans and specifications as they affect time, cost, and quality of construction; and the ability to coordinate the design and construction of the project, including the administration of change orders. The County/Housing Department contracts with a qualified Construction Manager to act for the County /Housing Department in the construction project as specified in the Construction Management Contract. At times the Construction Manager may become a single prime contractor, or may guarantee that the project will be completed on time and will not exceed a specified maximum price (Guaranteed Maximum Price - GMP). At such times the Construction Manager will become responsible, just as any single prime contractor, to complete the project at or below the specified price.

5. CONSTRUCTION CONSULTANT. The Construction Consultant is a person that shall serve as agent of the County/Housing Department, providing pre-construction and construction administration services by assisting and providing administrative support to the County/Housing Department in connection with a construction project. The Construction Consultant accepts the relationship of trust and confidence established between it and the County/Housing Department. The Construction Consultant agrees to furnish its best skill and judgment to perform its services in the most expeditious economical manner consistent with the stated interests of the County/Housing Department and with the staff organization of the Construction Consultant.
6. SEQUENTIAL DESIGN AND CONSTRUCTION. Sequential design and construction denotes a method in which design of substantially the entire structure is completed prior to beginning the construction process.
7. PHASED DESIGN AND CONSTRUCTION OR FAST-TRACK CONSTRUCTION. Phased design and construction denotes a method in which construction is begun when appropriate portions have been designed, but before substantial design of the entire structure has been completed.

CONSTRUCTION CONTRACTS, CLAUSES AND ADMINISTRATION

A. CONTRACT TYPES

Any type of contract which is appropriate to the procurement and which will promote the best interests of the Housing Department may be used, provided that the cost-plus-a-percentage-of-cost and percentage of construction cost methods are prohibited. All Procurement shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy the Housing Department needs otherwise, and the proposed contractor's accounting system is adequate to allocate costs in accordance with the applicable cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation (FAR), found in 48 CFR Chapter 1). A time and material contract may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

B. OPTIONS

Options for additional quantities or performance periods may be included in contracts, provided that; (i) the option is contained in the solicitation; (ii) the option is unilateral right of the County/Housing Department; (iii) the contract states a limit on the additional quantities and the overall term of the contract; (iv) the options are evaluated as part of the initial competition; (v) the contract states the period within which the options may be exercised; (vi) the options may be exercised only at the

price specified in or reasonably determinable from the contract; and (vii) the options may be exercised only if determined to be more advantageous to the Housing Department than conducting a new procurement.

C. CONTRACT CLAUSES

In addition to containing a clause identifying the contract, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36 (I), such as the following:

1. Termination for convenience,
2. Termination for default,
3. Equal Employment Opportunity,
4. Anti-Kickback Act,
5. Davis-Bacon provisions of the United States Housing Act of 1937,
6. Contract Work Hours and Safety Standards Act, reporting requirements,
7. Patent rights,
8. Rights in Data,
9. Examination of records by Comptroller General, retention of records for three years after closeout,
10. Clean air and water,
11. Energy efficiency standards,
12. Bid protests and contract claims,
13. Value engineering, and
14. Payment of funds to influence certain Federal transactions.

D. CONTRACT ADMINISTRATION

A contract administration system designed to insure that contractors perform in accordance with their contracts shall be maintained. Operational procedures shall contain guidelines for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters. For cost reimbursement contracts with commercial firms, costs are allowable only to the extent that they are consistent with the cost principles in the FAR Subpart 31.2.

CONSTRUCTION CONTRACT CHANGE ORDERS

During the course of a construction project it may become necessary to modify the scope of the project in varying degrees depending on each individual circumstance. By modifying the scope of the project it may necessitate amending the construction contract via a change order. Construction contract change orders may be approved by the Bay County Board of Commissioners or their designee after consultation with the Director of Housing and the architect, engineer, consultant, or a qualified individual involved with and has knowledge of the project and the requested modification, and that the Bay County Board of Commissioners is satisfied with the rationale provided for the requested change.

BLANKET PURCHASE ORDERS

Blanket purchase orders may be issued when the Purchasing Agent or his/her designee determines, after consultation with the Director of Housing, that the issuance of a blanket purchase order will result in procurement efficiencies or in a financial benefit to the Bay County Housing Department. Blanket purchase orders shall not exceed twelve (12) months and shall terminate at the end of each fiscal year. Blanket purchase orders will be available for the purchase of materials and supplies that will be purchased on a frequent or repetitive basis. Blanket purchase orders shall not be used for the purchase of equipment.

COMPUTER HARDWARE/SOFTWARE

The County has recognized the need to review and control the purchasing of computer hardware and software. All Bay County Housing Department's requests for computer hardware and/or software shall be submitted to the Information Systems Division (ISD). The Information Systems Division must review all requests regardless of funding source. If the Bay County Housing Department's requirements are budgeted within ISD's budget, ISD will initiate the necessary procurement documents.

In order to produce efficiencies in the procurement of computer hardware and/or software, to enhance employee productivity, and to receive financial benefits from excellent pricing, the Information Systems Division shall purchase computer hardware and/or software at or below the prices that have been negotiated for federal Government Service Administration (GSA) contract pricing or the State of Michigan, Department of Management and Budget, Extended Purchasing Program, when applicable.

Depending on the expected cost, procurement of software may be based on a two-tiered analysis comprised of a qualifying point system and a sealed bid price. When a two-tiered analysis is used to purchase software, which is expected to meet the sealed competitive bid dollar threshold, the point system shall first be considered. The qualifying point system will be based upon the ability of the software to meet the business needs of the acquiring department. Those vendors obtaining the minimum points required in the Request for Qualifications/Proposals (RFQ/P) shall then have their sealed price bid opened and considered. The final procurement decision will be based on the best value of the software and not strictly based on the lowest bid price. When the expected cost of the software falls below the RFQ/P threshold, the use of a two tiered RFQ/P may be used if it is deemed to be beneficial to the procurement by the Purchasing, Information Systems, and acquiring departments. If it is deemed not to be beneficial then the purchase shall be made by obtaining, at a minimum, three (3) oral or written quotes as stipulated in the small purchases section of this purchasing policy.

VENDING MACHINES

The County has recognized the need to control the placement of vending machines in or at all County facilities. The placement of vending machines in or at a County facility is a contractual relationship between the vendor and the County. It shall be the responsibility of the Purchasing Agent or his/her designee to solicit, through Request for Proposals, potential vendor(s) who would be interested in contracting with the County to place vending machines of the type requested and in/at the facilities designated by the County.

MAINTENANCE CONTRACTS

Generally, no full, preventative, or time and material maintenance contracts shall be purchased on equipment that has a replacement value of less than one thousand dollars (\$1,000) unless deemed financially beneficial by the Director of Housing and the Purchasing Agent. Equipment having a replacement value in excess of one thousand dollars (\$1,000) shall be eligible for coverage under a full, preventative, or time and material maintenance contract as deemed appropriate by the Purchasing Agent and the Director of Housing.

INSUFFICIENT FUNDS

If the balance in an identified budget account number or budget category (as required in the annual General Appropriation Budget Act Resolution) is insufficient to accommodate the purchase, the Director of Housing shall be required to submit to the Finance Department/Budget Division an appropriate budget adjustment form. No Purchase Order shall be assigned or placed until a budget adjustment in a sufficient amount to accommodate the order has been entered into the system or has been approved by the Bay County Board of Commissioners.

PROCUREMENT RECORDS

All determinations and other written records generated by the County's Purchasing Agent, such as purchase requisitions/orders and bid files, pertaining to the solicitation and/or award of the Bay County Housing Department business shall be maintained for the Bay County Housing Department by the County's Purchasing Agent.

All procurement records shall be retained and disposed of by and on behalf of the Bay County Housing Department in accordance with the records retention schedules and guidelines as determined by the Director of Housing and the County Finance Officer.

TRAVEL EXPENDITURES

For all County Employees and Elected/Appointed Officials who will be traveling on Bay County Housing Department business and who will be incurring business related expenses associated with their travels should refer to the County of Bay, Standard Travel Policy for guidance.

COST AND PRICE ANALYSIS

A cost or price analysis shall be performed for all procurement actions, including contract modifications. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts and a cost/benefit relationship surrounding each procurement.

1. Submission of Cost or Pricing Information. If the procurement is based on noncompetitive proposals, or when only one offer is received the offeror shall be required to submit:
 - a. A cost breakdown showing projected costs and profit;
 - b. Commercial pricing and sales information, sufficient to enable the purchasing agent to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
 - c. Documentation showing the offered price is set by law or regulation.
2. Cost Analysis. Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted; a cost analysis shall be performed of the individual cost elements; the Director of Housing and/or County Purchasing Agent shall have a right to audit the contractor's books and records pertinent to such costs; and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, the Director of Housing and/or County Purchasing Agent shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.
3. Price Analysis. A comparison of prices shall be used in all cases other than those described in the above Cost Analysis.

PETTY (IMPREST) CASH PURCHASES

(PURCHASES COSTING LESS THAN \$100)

All items of expense with a value of one hundred dollars (\$100) or less may be purchased with cash. These cash acquisitions can be advanced and/or reimbursed to the employee or official through the petty (imprest) cash fund maintained by the Director of Housing upon submission of a Bay County Petty Cash Voucher.

The Petty Cash Voucher must be completed in its entirety before it can be honored by the Director of Housing . The Petty Cash Voucher requires the following information to be supplied in addition to a sales slip, invoice, or some other document that can support the purchase and be attached to the Petty Cash Voucher, if applicable.

1. Date purchased/advanced.
2. Amount advanced.
3. Vendor purchased from.
4. Item(s) purchased.
5. Cost per item purchased.
6. Total price paid.
7. Department name.
8. Budget account number(s) and related amount to be charged.
9. Employee/Official who made the purchase/received advance.
10. The Director of Housing, Project Manager, or his/her designee authorization for reimbursement.

The Director of Housing may advance up to one hundred dollars (\$100) from petty cash to any employee/official to facilitate the purchasing needs of the Housing Department upon receipt of a Petty Cash Voucher authorizing an advance to be granted. Such advance must be expended within the working day the advance was granted. By the end of the working day the employee/official shall return to the custodian of the petty cash fund any unspent cash remaining after the procurement, along with a completed Petty Cash Voucher and any support documents as identified above. The total of the remaining cash returned and the Petty Cash Voucher must equal the total amount advanced.

The Director of Housing shall not honor a Petty Cash Voucher unless all the required information requested on the Petty Cash Voucher is supplied. Periodically, when their funds are nearly depleted, and by utilizing the Petty Cash Vouchers they have honored, the Director of Housing shall replenish their petty cash funds by completing a Master Bay County Accounts Payable Voucher for processing identifying the various accounts and amounts to be charged.

MINUTE PURCHASES

(PURCHASES COSTING LESS THAN \$500)

Providing for the adequate and proper controls over the procurement of products or services to ensure that the Bay County Housing Department dollars are being expended in compliance with project budgets and to detect or to prevent irregularities in the procurement functions would necessarily require Purchase Orders to be produced for all Procurement. However, a determination needs to be made regarding the efficiency and cost effectiveness of controlling every purchase made by the Housing Department through the issuing of Purchase Orders. The question needs to be asked as to whether the value of the benefit received is greater than the cost incurred in controlling every purchase. It is the opinion of the Board of Commissioners that the cost of issuing Purchase Orders on purchases, whether for products or services, costing less than five hundred dollars (\$500) is greater than the benefit they will receive. Therefore, for the procurement of products or services costing less than five hundred dollars (\$500), the following shall apply:

1. Purchase Orders shall not be required.
2. The Housing Department can place the order or purchase the product(s) or service(s) directly, or utilize the Purchasing Agent or his/her assistant in the Finance Department for purchasing assistance.
3. Three (3) phone quotations shall not be required prior to procurement.

However, the Housing Department is encouraged to implement the prudent person philosophy when placing an order. This philosophy dictates that a department shall carry out this function with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

Since there will not be a County Purchase Order number assigned to these purchases, the ability of the Finance Department to facilitate the processing of invoices or problem resolution associated with these purchases is greatly diminished. In order to ensure expeditious processing of invoices or problem resolution, it is essential that the Housing Department inform the vendor that it is critical that the following information be clearly and accurately identified on the face of the invoice:

1. Name of the person who placed the order.
2. That the Bay County Housing Department placed the order.
3. Proper mailing address where the invoice should be mailed.

If the vendor is not willing to identify items one (1) and two (2) above on the face of the invoice, the proper mailing address should be that of the Bay County Housing Department; otherwise, the invoice can be sent to the Finance Department/Accounts Payable. Invoices sent directly to the Finance Department without the proper identification will be immediately returned to the vendor noting the Finance Department's inability to forward to the Housing Department for processing, thus delaying payment.

When invoices are mailed directly to the Finance Department from the vendor, which clearly identifies the Housing Department as the ordering department, the Finance Department will forward the invoice to the Housing Department for account coding, authorization, and processing.

MINIMAL PURCHASES

(PURCHASES COSTING \$500 BUT LESS THAN \$1,000)

Any acquisition of products or services costing five hundred dollars (\$500) but less than one thousand dollars (\$1,000), the Director of Housing or his/her designee shall obtain quotes and place the order directly.

- A. If the Housing Department will be utilizing the County's Procurement system, the Director of Housing or his/her designee shall prepare and forward a faxed or emailed original completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in Charge of Purchasing in the Finance Department for processing. The Purchase Requisition shall contain the following information:
 1. Requesting department name.
 2. Date of requisition.
 3. Prior vendor (if known).
 4. Date the product or service is needed.
 5. To whom or where the product or service is to be delivered.
 6. The proper budget account number(s) to be charged and their current budget balance(s).

7. Indicate if a budget adjustment is in process to accommodate the purchase.
 8. Name of requesting individual.
 9. Signature of authorizing individual.
 10. The product item number, if available.
 11. Quantity.
 12. Description of products or services, as detailed as possible.
 13. Freight/shipping charges, if applicable.
- B. When the decision is made to place an order, it shall be placed according to the following:
1. Order from the master vendor list of approved vendors.
 2. Purchase all office supplies from the Board of Commissioners designated contract vendor, subject to availability.
 3. One phone or written quote is sufficient for purchases costing five hundred dollars (\$500) but less than one thousand dollars (\$1,000) or when it is determined that there is an emergency condition or there is only a sole source provider to purchase the products and/or services. In the event the Housing Department is claiming an emergency or sole source condition, the procedures identified in the exemptions section under "Large Purchases" must be adhered to. Phone quotes must be documented as to the name of company and salesperson contacted, unit price of the product and/or service requested, quantity ordered, time and date of the call and any other pertinent information.

Quotes shall be net of freight charges and exclusive of sales tax. When obtaining quotes, the vendor must be questioned concerning any freight or additional charges and these items should be identified separately on the Purchase Requisition.
 4. If the Housing Department will be utilizing the County's Procurement System, a Purchase Order number must be obtained from the County's Purchasing Agent or his/her assistant and provide it to the selected vendor for inclusion on the vendor's invoice.
 - a. Vendors shall not fill an order for five hundred dollars (\$500) or greater unless they are provided a Purchase Order number.

5. Verify that the vendor can and will deliver. Some purchase situations may require that the Bay County Housing Department either pick up or arrange for special delivery of the order.
- C. Orders may be phoned or faxed to vendors.

SMALL PURCHASES

(PURCHASES COSTING \$1,000 BUT LESS THAN \$20,000)

Although Competitive Sealed Bidding is the procedure universally preferred in governmental procurement, consideration of the time and cost involved dictates that a less formal procedure be used for small purchases.

This Purchasing Policy provides that purchases, including professional services, not exceeding twenty thousand dollars (\$20,000) may be made in the open market without a formal written bid, and further provides that these purchases, when practicable, shall utilize competitive oral or written requests for quotations. All such purchases shall be made cooperatively by the Purchasing Agent in the Finance Department and the Director of Housing or their designees.

The Director of Housing or his/her designee shall prepare and forward a faxed or emailed original completed Purchase Requisition along with any supporting documentation to the Purchasing Agent in the Finance Department for processing. The Purchase Requisition shall contain the same information as outlined for "Minimal Purchases" Section A, Items 1 through 13.

In utilizing the small purchases procedures, the following shall apply:

1. Award shall be made to the vendor providing the greatest value for the cost while meeting the minimum needs of the Bay County Housing Department.
2. Requisitions shall not be artificially divided so as to constitute small purchases.
3. If the Bay County Housing Department foresees a need for products or services of a like or similar nature, costing more than twenty thousand dollars (\$20,000) in aggregate within a fiscal year, it shall arrange for Competitive Sealed Bidding, even though the products and services individually may be under the twenty thousand dollars (\$20,000) bid threshold.
4. The Bay County Housing Department along with the Departments or Divisions with County-wide responsibility for products or services, such as the Buildings and Grounds Department for hand towels and tissues, shall combine requirements for like or similar commodities expected to be needed in the foreseeable future (usually a fiscal year) and arrange for Competitive Sealed Bidding.

5. When previous experience indicates a reasonable expectation that combined requirements of the Housing Department and all County Departments and/or Divisions, for a product or service, will exceed the bid threshold within a fiscal year, the Purchasing Agent shall solicit requirements from all users of this product or service, and cause specifications and bid documents to be developed, and shall arrange for Competitive Sealed Bidding.
6. In order to reduce the paperwork associated with numerous small purchases, Blanket Purchase Orders shall be used whenever practicable. This determination shall be made by the Purchasing Agent after consulting with the Director of Housing or his/her designee.
7. The Purchasing Agent shall be responsible for obtaining the quotations required by this procedure. In instances where it is more practicable, the Purchasing Agent may delegate the obtaining of quotes to his/her designee or to the Director of Housing or his/her designee. This shall not absolve the Purchasing Agent from the responsibility of having proper quotes on file prior to issuing a Purchase Order, as required by this procedure, or from assuring that acceptable value is being obtained.
8. At least three (3) oral or written quotes are required, with the exception of an emergency condition or sole source provider. In the event the Housing Department is claiming an emergency or sole source condition, the procedures identified in the exemption section under Large Purchases must be adhered to. Quotations received via facsimile (FAX) machines shall be accepted as written quotes required by this procedure. The Purchase Order shall be placed after the receipt of the quotes.
9. On occasion, good business judgment or common sense may dictate deviations from the requirements outlined in Item 8 of this section. In this instance, the reason(s) for the deviation shall be documented by the Purchasing Agent on the Purchase Requisition and such deviations shall not violate any other requirement of the Purchasing Policy.
10. Emergency purchases shall be exempt from some of the provisions of this policy. A request and explanation of the reasons for the declaration of an emergency shall be documented by the Director of Housing and forwarded to the Purchasing Agent who in turn will forward the request to the Finance Officer. The Finance Officer shall decide whether or not the request is warranted and instruct the Purchasing Agent to act accordingly. The request and explanation shall be retained in the quote file. This provision shall be used only if there is imminent danger to the health or welfare of the citizens of the County; or a resident of the public housing complex, a threat of deterioration of a critical Housing Department function, or a threat of a delay in the completion of a Housing Department project.

11. Documentation of a sole source provided for a required product and/or service shall be retained in the quote file by the Purchasing Agent.
12. The Director of Housing assisted by the Purchasing Agent, or their designees, shall have the responsibility for selection of the vendor.
13. Information regarding quotes can be found:
 - a. In the quote file kept by the Purchasing Agent; and/or
 - b. Attached to the back of the Purchase Requisition/Order.

LARGE PURCHASES

COMPETITIVE SEALED BIDS

(PURCHASES COSTING \$20,000 OR MORE)

Competitive Sealed Bids shall be solicited for products or services that meet one of the following requirements:

- The product or service being procured has an individual cost of twenty thousand dollars (\$20,000) or more.
- When the requirements of the Housing Department, or the combined requirements of the Housing Department and all County Departments and/or Divisions, for the products or services of a like or similar nature has an aggregate cost of twenty thousand dollars (\$20,000) or more within a fiscal year.

The following section outlines the exemptions, elements, processes, and procedures for competitive sealed bids.

A. EXEMPTIONS

The Bay County Housing Department's Purchasing Policy provides that no procurement of products or services equal to or over twenty thousand dollars (\$ 20,000) shall be made without soliciting competitive sealed bids, except:

1. When cooperative purchases with other public entities are made.
2. When contracts of other local units of government or other public entities are used, if the Contractor extends the identical terms and conditions to the County, provided that the contract has been awarded through procedures substantially similar to those required by the Bay County Housing Department Purchasing Policy.
3. When there is only a sole source for the required products or services.

4. In the event of the existence of an emergency procurement condition.
5. In the procurement of architectural, engineering, legal, landscape architectural, or land surveying services.
6. In the procurement of services of an independent Certified Public Accountant selected to audit the Housing Department's books/operations.
7. In the procurement of consultant, advisor, or other professional services as identified by the Bay County Housing Department.

By exempting the procurement of products or services in an emergency (Item No. 4) and entering into contracts for professional services (Item Nos. 5, 6, and 7) allows the Bay County Housing Department to remain in compliance with Public Act 167 and 168 of 1993.

In the event the Housing Department requests an exemption from soliciting competitive sealed bids for the procurement of products or services for reasons of a sole source supplier or an emergency condition, the following shall occur:

1. The Housing Department shall submit to the Purchasing Agent in the Finance Department a Purchase Requisition which shall contain, in addition to the same information as outlined for "Minimal Purchases," Section A, Items 1 through 13, an attestation signed by the Director of Housing that the named vendor on the Purchase Requisition is the sole supplier of the requested product or service or; in the case of an emergency procurement condition, that the existing condition is causing an emergency situation and identify the consequences that will occur if the product or service is not purchased posthaste.
2. The Purchasing Agent, upon receipt of the Purchase Requisition and after discussion with the Director of Housing, shall either initial and date his affirmation of the Director of Housing attestation or indicate in a signed and dated statement on the Purchase Requisition his/her reasons for disagreement.
3. The Purchase Requisition is then forwarded to the Finance Officer for consideration and final decision.
4. In a situation that required the Director of Housing to make an emergency procurement(s), the above items one (1) through three (3) shall still occur, although after the fact, within two (2) business days of the emergency condition.

B. REQUEST FOR INVITATION TO BID

When the Housing Department requests products or services that require competitive sealed bids be solicited shall present the request to the Purchasing Agent, which includes the following:

1. A brief description of the goods and/or services to be bid.
2. Source of funding for the expenditure (budget, grant, etc.).
3. The activity and account number to which the expenditure is to be charged.
4. Specifications for the equipment and/or service.
5. Specific requirements that shall be adhered to by each bidder.
6. Other pertinent information.

C. REVIEW OF BID PRIOR TO PUBLIC RELEASE

The Purchasing Agent shall request any additional information from the Housing Department and shall submit a draft of the Request for Proposal to the Director of Housing, the Finance Officer, and Corporation Counsel for their review and final approval.

D. BID PACKAGE PREPARATION

After the draft of the Request for Proposal is approved by the Director of Housing, the Finance Officer, and Corporation Counsel, a final formal Request for Proposal shall be prepared by the Purchasing Agent, in conjunction with the Director of Housing or his/her designee. The Request for Proposal shall include:

1. Invitation to Bid
2. Specifications
3. Requirements of Bidders

In addition to the other requirements of bidders relative to service and construction projects one or more of the following bid requirements may apply:

- a. Bid guarantee from each bidder equivalent to 5% of the bid price
- b. Performance bond for 100% of the contract price
- c. Payment bond for 100% of the contract price

4. General Conditions
5. ADA Assistance
6. Applicable Bid Forms

E. BID PACKAGE DISTRIBUTION AND PUBLIC NOTICE

The Purchasing Agent, the Director of Housing, or their designees will distribute the Request for Proposal to all applicable vendors who are included on the County's Vendor Master File. The Purchasing Agent shall publish in The Bay City Times, and any other pertinent publication, a notice inviting sealed competitive bids, for at least two days, preferably in a Sunday and/or Saturday publication for one or two weekends. There shall be an interval of at least ten (10) days between the date of the final notice and the bid opening. The notice shall include the following, when applicable:

1. Brief description of the product(s) or service(s) to be bid.
2. Place where bid documents, including specifications are available.
3. Request for Proposal Identification Number.
4. Cost, if any, of bid documents.
5. Date and time the bids are due. (Minimum 15 days from date of the RFP)
6. Date and Time of all walk through(s) and/or pre-bidders conference(s) as determined by the Purchasing Agent and the, Director of Housing or his/or designees.
7. That telecommunication Device for the Deaf (TDD) information and an Americans with Disabilities Act (ADA) statement that auxiliary aids and services are available upon request.

In addition to the public notice, the Purchasing Agent shall notify all vendors who have indicated an interest in furnishing the requested products and/or services to the County Housing Department.

In the event that the original Request for Proposal needs to be amended, an addendum will be mailed and/or faxed to all vendors who previously received a copy of the original Request for Proposal by the Purchasing Agent.

F. WALK THROUGHS AND PRE-BID/PROPOSAL CONFERENCES

When it has been determined that a walk through or pre-bid/proposal conference is necessary, the Purchasing Agent or his/her designee shall include language within the Request for Proposal identifying the following:

1. The date, time, and location of the walk through or pre-bid/proposal conference.
2. Whether or not potential bidders/proposers attendance is mandatory.
3. That potential bidders/proposers will not be compensated for their attendance.
4. That written and verbal questions will be accepted and addressed, with the Bay County Housing Department's preference that as many questions as possible be in writing in advance of the date of the walk through or pre-bidders proposal/conference.

If attendance by potential bidders/proposers is mandatory and a prospective bidder or proposer does not attend but does submit a bid or proposal, said bid or proposal shall be disqualified and returned unopened accompanied by a memo explaining why the bid or proposal was returned and not considered for award.

All potential bidders or proposers shall sign-in at the location of either the walk through or pre-bidders/proposal conference and provide all the information requested on the sign-in form provided by the Purchasing Agent, or his/her designee.

G. BID SUBMISSION AND OPENING

Sealed bids are to be received and retained by the Purchasing Agent in the Finance Department until the date and time for the bid opening as specified in the Public Notice/Request for Proposal. The sealed bid envelope shall be marked with a date stamp identifying the date (month/day/year) the bid was received in the Finance Department. The time of the day the sealed bid envelope arrived, if not automatically imprinted, will be manually written on the lines provided by the date stamp and initialed by the employee of the Finance Department who received the bid. Sealed bids are also accepted in person at the location of the bid opening up until the time specified by the Public Notice/Request for Proposal.

Bids received after the date and time specified in the Public Notice/Request for Proposal shall be disqualified and returned unopened accompanied by a memo explaining why the Request for Proposal was returned and not considered for award. After receipt in the Finance Department, bids may be withdrawn up to the scheduled time for opening upon presentation of proper identification, as determined by the

Purchasing Agent, or his/her designee. A formal written request for withdrawal must be made to the Purchasing Agent who shall file the request in the Request for Proposal file. Bids shall be opened promptly at the time designated in the Public Notice/Request for Proposal by the Purchasing Agent, his/her designee or any other individual as designated by the Bay County Housing Department. The Purchasing Agent, his/her designee, or the designee of the Housing Department shall open and review the bid(s) and reads aloud the name of the bidder(s), the amount of the bid(s), and any other pertinent information contained in or omitted from the bid(s). The Purchasing Agent, his/her designee, or the designee of the Housing Department shall initial and date each bid after he/she has reviewed it and proceed to forward it to all individuals present at the bid opening for them to review, initial, and date. The proceedings are recorded by the Purchasing Agent or some other designated individual.

Bidders and the public are encouraged to attend bid openings, and may examine the bid documents after all bids have been opened.

H. EVALUATION OF BIDS AND RECOMMENDATION OF SUCCESSFUL BIDDER

Following the bid opening, the Purchasing Agent presents the results of the bid opening to the architect, engineer, consultant, or other qualified individual(s) chosen by the Housing Department to evaluate each bid. The results of the evaluation which will include a review of the list of parties excluded from Federal Procurement and non procurement programs published with the U. S. General Services Administration (GSA) will then be presented to the Director of Housing by the architect, engineer, consultant, or other qualified individual(s) chosen by the Housing Department with an analysis identifying the best low/high qualified bidder and a recommendation as to which bidder to award the bid. The term "low/high qualified bidder" means a bidder whose bid conforms in all material respects to the Request for Proposal, who has the capability in all respects to perform the requirements, and who by its integrity and reliability gives reasonable assurance of good faith performance for the financial benefit of the County Housing Department.

In determining the lowest/highest qualified bidder, the architect, engineer, consultant, Project Manager, or other qualified individual(s) chosen by the Housing Department, or their designee may, after the bid opening, enter into discussions with any responsible bidder who submitted a proposal which is determined to be reasonably susceptible of being awarded the bid, to obtain additional information regarding the bidders ability to perform or to clarify a bidders proposal to assure the architect, engineer, consultant, the Project Manager, or other qualified individual chosen by the Housing Department, or their designee, that the bidder(s) has a full understanding of and can conform to the requirements of the Request for Proposal. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted, after the bid opening and prior to awarding, for the purpose of obtaining best and final offers.

In conducting the discussions, there shall be no disclosure of any information derived from proposals submitted by competing bidders.

No bidder is permitted to alter the dollars bid after the opening.

A voluntary or negotiated reduction/increase in price from lowest/highest qualified bidder can be accepted after the opening of the bid, provided such reduction/increase does not result in the modification or deletion of any conditions or specifications contained in the bid documents.

I. BID AWARD

1. The bid shall be awarded directly to the successful bidder by the Bay County Finance Officer upon the following criteria being met:
 - a. The product or service for which the Request for Proposal was written is included and funded in the current years adopted/amended budget.
 - b. The lowest/highest qualified bid received by the County, for which the bid will be awarded, is either equal to or less/greater than the amount budgeted for this procurement/sale in the current year adopted/amended budget.
 - c. Utilizing the Notice of Intent to Award form, the Finance Officer shall notify the Bay County Board of Commissioners, the Bay County Executive, the Bay County Director of Housing, and all bidders of his/her intent to award the bid to the lowest/highest qualified bidder on the eleventh (11th) working day from the date of notice. Said notice shall include the names and addresses of all bidders, their respective bid(s), reason(s) for disqualifying certain bidders and for awarding the bid to a bidder other than the lowest/highest qualified bidder.
 - d. If concerns or opposition from the Board of Commissioners, the County Executive, and/or the Director of Housing, inclusive of an unresolved bid protest being filed by a bidder in accordance with the procedures outlined in Section I, to the Intent to Award arise within ten (10) working days from the date of the Notice of Intent to Award, said concerns or opposition shall be communicated to the Finance Officer in writing and the Finance Officer shall be precluded from awarding the bid and shall follow the procedures outlined in Subsection (2) immediately below.
2. If the bid cannot be directly awarded to the successful bidder by the Bay County Finance Officer because the criteria in Subsection (1), immediately above, could not be met, then:

- a. The recommendation to the Finance Officer from the Purchasing Agent forwarded by the Finance Officer to the Ways and Means Committee of the Board of Commissioners for their consideration and action who in turn will forward their recommendation to the full County Board of Commissioners for awarding.
- b. Utilizing the Notice of Recommendation, the Finance Officer shall notify all bidders, as soon as it is practical, of his/her recommendation to the Bay County Ways and Means Committee of the Board of Commissioners.
- c. If a Bid Protest form has been filed by a bidder in accordance with the procedures outlined in Section L relative to the Notice of Recommendation within the time allotted for such filing, the Finance Officer shall communicate such protest to the Bay County Ways and Means Committee prior to their action on his/her recommendation. The Ways and Means Committee must then decide, after reviewing the Bid Protest and listening to the testimony of the Finance Officer and the protesting bidders, whether:
 - 1. To accept the recommendation of the Finance Officer and follow Subsection 2 (a) above and Section L (4), or
 - 2. To take no action on the Finance Officer's recommendation and follow Section L (4).
- 3. The Purchasing Agent or his/her designee shall notify all bidders of the final action taken by the Finance Officer or the Board of Commissioners by preparing and mailing to them a Notice of Bid Action. For informational purposes only, a copy of the Notice of Bid Action shall be placed on the agenda of the next Ways and Means Committee meeting. In addition to the Notice of Bid Action being mailed, the Purchasing Agent shall also execute or facilitate the execution of the documents described below in Subsection 4.
- 4. The execution of the Notice of Bid Action is made by the Purchasing Agent, or his/her designee, to the lowest/highest qualified bidder through one of two procedures:
 - a. By facilitating the execution of a formal contract between Bay County Housing Department and the successful bidder, supported by a bid guarantee, performance bond and payment bond, if required, when periodic payments are made for work performed pursuant to a Contract and prior to completion of all the work, (e.g., construction work); or
 - b. By issuing a Bay County Purchase Order.

J. LOW TIE BIDS/ONE BID

At the discretion of the Board of Commissioners, award shall be made in any permissible manner that will discourage tie bids. If no permissible method will be effective in discouraging tie bids, then the award shall be made by drawing lots.

If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.

K. EXTENSION OF DATES

As a result of extenuating circumstances, it may be necessary for the Housing Department to either extend the date which bids are due to be received by the Housing Department or the date to which all bids are to be valid. In either case, it shall be the responsibility of the Purchasing Agent or his/her designee to inform all parties concerned, via oral and written communications, of the Housing Department's intent on extending the relevant date, inclusive of any other pertinent date(s) that will change, along with the reasons for the extension.

If the date which the bids were to be received has been extended, along with all the other pertinent dates, the dates identified in Subsection G. of this section, "Bid Submission and Opening," shall be those identified in the above stated communication.

If the date to which all bids were to be valid needs to be extended, all bidders will have the right to withdraw their bid from consideration. A formal written request for withdrawal must be made to the Purchasing Agent, who shall file said request in the Request for Proposal file.

L. BID PROTEST PROCEDURE

The following process will be used to allow bidders to officially lodge a protest regarding the bid process:

1. Bidders must obtain and complete a Bid Protest form identifying the substance and reason for the protest. The Bid Protest form can be obtained from the Purchasing Agent in the Bay County Finance Department or his/her designee.
2. The bidder must file the protest within ten (10) working days from the date of the Notice of Intent by submitting the completed form to the Purchasing Agent or his/her designee.
3. The bidder must file the protest the earlier of the day prior to the Ways and Means Committee meeting, or within ten (10) working days from the date of the Notice of Recommendation by submitting the completed form to the Purchasing Agent or his/her designee. The protesting bidder(s) may address

the Ways and Means Committee at the meeting where the Committee will consider the recommendation of the Finance Officer.

4. Within seven (7) working days of the filing of the bid protest form, the Finance Officer, after consultation with the Purchasing Agent, shall prepare and send, via certified mail through the U.S. Postal Service, a response to the bid protest filed under either Subsection (2) or (3) of this section.
5. If not satisfied with the response of the Finance Officer regarding the bid protest filed under Subsection (2) of this section, the bidder(s) may address the Ways and Means Committee or the Board of Commissioners by requesting the Finance Officer place their protest on the agenda of their next scheduled meeting. Said request must be in writing and received by the Finance Officer or postmarked within seven (7) working days from the date of response to the protestor. The protestor must clearly identify on the envelope **"BID PROTEST."**

The Purchasing Agent shall upon written request make available to any interested party information submitted that bears on the substance of the protest except where information is proprietary, confidential, or otherwise permitted or required to be withheld by law or regulation.

The Board of Commissioners or the Finance Officer shall not award any bid until the protest has been settled, unless the Board of Commissioners or the Finance Officer makes a written determination after consulting with Corporation Counsel that the award of the bid without delay is necessary to protect interests of the County.

M. CANCELLATION OF INVITATIONS/REQUESTS FOR OR REJECTION OF QUOTES/BIDS/PROPOSALS

An Invitation for Quotes/Bids, a Request for Proposal, or any other solicitation may be canceled, or any or all bids, quotes, or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is for a good cause and in the best interest of the Bay County Housing Department. The reason(s) for the cancellation or rejection shall be made part of the specific procurement file. Each solicitation issued by the Bay County Housing Department shall state that the solicitation may be canceled and that any quote, bid, or proposal may be rejected in whole or part for good cause when in the best interests of the Bay County Housing Department. A Notice of Cancellation shall be sent to all vendors solicited. The notice shall identify the solicitation, provide the reason(s) for cancellation, and, when appropriate, identify that an opportunity will be given to all vendors to resubmit a quote, bid, or proposal, on any resolicitations or any future solicitations of similar items. A Notice of Rejection shall be sent to all bidders or offerors whose bids(s), quotes(s), or proposal(s) were rejected enumerating the reasons for rejection.

APPENDIX A

BAY COUNTY PETTY CASH VOUCHER

DATE: _____

DEPARTMENT NAME: _____

AMOUNT ADVANCED:\$ _____

VENDOR: _____

PURPOSE: _____

(CASHING OF PERSONAL CHECKS IS PROHIBITED)

ITEM(S) PURCHASED

COST PER ITEM

_____ \$ _____

TOTAL PRICE PAID:\$ _____

ADVANCE AMOUNT RETURNED: _____

TOTAL AMOUNT ADVANCED:\$ _____

BUDGET NUMBER (15 DIGITS)

AMOUNT

_____ \$ _____

TOTAL AMOUNT EXPENDED:\$ _____

EMPLOYEE: _____

AUTHORIZATION: _____

Please attach to the white copy of this Petty Cash Voucher the sales slip, invoice, or some other document provided by the vendor that supports this voucher, if applicable.

Prepare in ink. WHITE COPY - PRESENT FOR REIMBURSEMENT YELLOW COPY - DEPARTMENT

APPENDIX B

GLOSSARY

Bid Protest Form. A form filed by a bidder lodging a formal protest regarding the bid process.

Blanket Purchase Order. A purchase order issued to a vendor for a specific dollar amount, without identifying the items to be purchased or their value, that can be used by a department to purchase materials and/or supplies that will be purchased on a frequent or repetitive basis.

Centralized Purchasing. The function of procuring products and services for the entire County by a single Department.

Collusion. A secret agreement between two or more parties to defraud the County.

Debarment. To prevent or prohibit, for a period of time not exceeding three (3) years, from participating in quoting or bidding on County needs, or providing products and/or services to the County.

Defraud. To deprive the County of a right or property by deceit, treachery, or breach of confidence in order to gain some unfair or dishonest advantage.

Discrimination. The act of unjustly making a distinction without merit, favoring one person over another.

Embezzlement. The act of fraudulently obtaining County money or property for one's own use.

Emergency Procurement. The purchase of a product or service where there exists a threat to the public's health, welfare, or safety without having to abide by the requirements of the County's Purchasing Policy.

Employee. A nonrelated person, whether appointed or selected through a personnel selection procedure receiving a salary, wages, or other compensation from the County or a noncompensated, or minimally compensated person who is performing personal services for the County.

Gratuity. A payment, loan, subscription, advance deposit of money, services, or anything of more than nominal value, present or promised, tangible or intangible in the nature of gifts, favors, entertainment, discounts, passes, transportation, accommodations, hospitality, or offers of employment.

Highest Qualified Bidder. A Bidder who submitted the highest responsive bid, relative to the procurement of County property, who met all the requirements and specifications set forth in the request for proposal.

Immediate Family. Is a Spouse, Child, Step-child, Parent, Current Step-parent, Grandparent, Grandchildren, Parent-in-law, Son-in-law, Daughter-in-law, Sister, Brother, Sister-in-law, Brother-in-law, or a permanent member of the employee's family.

Large Purchase. Purchases costing \$20,000 or more.

Low Tie Bids. Are low responsive bids from responsible bidders that are identical in price and which meet all the requirements and specifications set forth in the Request for Proposal.

Lowest Qualified Bidder. A bidder who submitted the lowest responsive bid, relative to selling a product and/or providing a service to the County, who met all the requirements and specifications set forth in the request for proposal.

Minimal Purchase. Purchases costing \$500 or more, but less than \$1,000.

Minute Purchase. Purchases costing less than \$500.

Non-Employee. A person who is not an employee as defined in this Purchasing Policy.

Notice of Bid Action. A notice sent by the Purchasing Agent notifying all bidders of the final actions taken, either by the Finance Officer or the Board of Commissioners regarding a bid award.

Notice of Cancellation. A notice sent by the Purchasing Agent notifying all bidders of a cancellation of a Request for Proposal(s), Invitation(s) for Bids/Quote(s), or any other solicitation.

Notice of Intent of Award Form. A form used by the Finance Officer to notify the Board of Commissioners, the County Executive, and all bidders of his/her intent to award the bid to the lowest/highest qualified bidder on the eleventh (11th) working day from the date of the notice.

Notice of Recommendation. A notice sent by the Finance Officer, when he/she cannot directly award the bid, notifying all bidders of his/her recommendations, regarding the awarding of a bid, to the Ways and Means Committee of the Board of Commissioners, for their action.

Notice of Rejection. A notice sent by the Purchasing Agent to all bidders whose bid(s), quote(s), or proposal(s) were rejected enumerating the reasons for rejection.

Officer. Is a person elected, either at large or from respective districts, to the office of county commissioner; county executive; county prosecuting attorney; county sheriff; county clerk; county treasurer; county register of deeds; county drain commissioner; county circuit court judge; county district court judge; county probate court judge; and their deputies and appointees.

Petty (Imprest) Cash Purchase. Purchases costing less than \$100.

Proprietary. Pertaining to property or ownership rights (e.g., trade secrets).

Prime Contractor. A person who has a contract with the County to build, alter, repair, improve, or demolish any public structure or building, or other real public improvements of any kind to any public real property.

Prudent Person Philosophy. A department shall carry out its ability to independently purchase products and services within the parameters of the Purchasing Policy with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like acts.

Purchase Order. A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Purchase Requisition. A document prepared by a requesting department used to initiate and facilitate the purchase of products or services by detailing the specific information regarding the product or service which they wish to purchase.

Qualified Based Selection (QBS). An objective, flexible procedure for obtaining architectural, engineering, land surveying, and other related and non-related procedures.

Request for Proposal. A document used to solicit sealed competitive bids for products and services costing more than \$15,000, which identifies all the requirements and specifications relative to the product or service the County wishes to purchase.

Sanction. A penalty for disobedience or violations.

Small Purchase. Purchases costing \$1,000 or more, but less than \$20,000.

Sole Source. Only one supplier of a requested product or service.

Suspension. To prevent or prohibit, for a period of time not exceeding three (3) months, from participating in quoting or bidding on County needs, or providing products and/or services to the County.

Adopted April 14, 1998
Amended February 9, 1999, Resolution No. 99-014
Amended March 9, 1999, Resolution No. 99-050
Amended December 12, 2000, Resolution No. 00-340
Amended February 6, 2001, Resolution No. 01-016
Amended August 10, 2004, Motion No. 131
Amended February 21, 2006 Resolution No. 06-023